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U.S.-BULGARIAN CULTURAL COOPERATION PLAN SIGNED

AU171947 Sofia Domestic Service in Bulgarian 1830 GMT 17 Dec 84

[Text] A plan on culture, science, education, and technology exchanges between Bulgaria and the United States for the period 1985-86 was signed in Washington. The plan, based on the 1975 agreement between the two countries, provides for the exchange of personalities and specialists in the areas of professional research and consultations in culture, arts, science, technology, mass media management, and an exchange of lecturers in the higher educational establishments. It also provides for the exchange of exhibitions, theatrical spectacles, musical groups, and so forth.

FILIPOV RECEIVES SOVIET AGRICULTURAL OFFICIAL

AU171954 Sofia BTA in English 1850 GMT 17 Dec 84

[Text] Sofia, December 17 (BTA) -- Today the talks between the governmental delegations of Bulgaria and the USSR, led by Mr Vasil Tsanov, chairman of the party-Governmental Council for Agriculture and Forestry and by Mr Ziya Nuriyev deputy chairman of the Council of Ministers of the USSR, started. In them ministers and leaders of the institutions of the two countries related to agriculture, fruit and vegetable growing, the food, chemical and the microbiological industries, the farm machines building industries and foreign trade took part.

The two delegations will discuss issues of cooperation and the coordination of the economic plans in the sphere of agriculture and the food industry for the 1986-1990 period.

Today, the leader of the Soviet delegation, Mr. Ziya Nuriyev, was received by Mr. Grisha Filipov, chairman of the Ministerial Council. At the talks they discussed issues of industrialization, mechanisation and the application of chemicals in agriculture, the construction of hydromeliorative systems, and the production of irrigational equipment. Special attention was extended on techno-scientific cooperation in the sphere of seed raising, cross breeding and the exchange of varieties and technologies.

Concrete measures for enriching and perfecting the assortment structure of the export of farm products to the USSR were discussed.

TRADE AGREEMENT WITH INDIA SIGNED IN NEW DELHI

AU171931 Sofia BTA in English 1832 GMT 17 Dec 84

[Text] New Delhi, December 17 -- Next year trade between Bulgaria and India will increase by 40 per cent in comparison with this year. This is provided for in the document signed today in New Delhi by Mr. Georgi Vutev, Bulgaria's deputy foreign trade minister and his counterpart from India's Ministry of Trade Mr. Adjit Chata.

Bulgaria will import from India 100,000 tons of iron ore, large quantities of manganese ore, oil cake, tobacco, textile, clothes, and leather. In the following three years Bulgaria is to export to India 150,000 tons of urea a year, calcinated soda and other industrial goods.

During the signing ceremony the Bulgarian and the Indian side expressed satisfaction with the constructive and friendly atmosphere of the talks and with the broadening of the nomenclature and the volume of trade between the two countries.

CHNOUPEK BEGINS TALKS WITH FRG FOREIGN MINISTER

LD181143 Prague Domestic Service in Czech and Slovak 1100 GMT 18 Dec 84

[Text] Talks have opened in the Cernin Palace in Prague today between Bohuslav Chnoupek, minister of foreign affairs, and Hans-Dietrich Genscher, vice-chancellor and minister of foreign affairs of the German Federal Republic. The talks, which follow up on the July visit to Bonn by Bohuslav Chnoupek, are focused on topical issues of bilateral relations and problems of the current international-political situation, especially in Europe.

CSSR, PRC PLANNING COMMISSION CHIEFS END TALKS

LD172205 Prague Domestic Service in Czech 1430 GMT 17 Dec 84

[Text] Talks ended today in Prague between Svatopluk Potac, federal deputy premier and chairman of the State Planning Commission, and Song Ping, member of the State Council and minister-chairman of the PRC State Planning Commission.

The two officials assessed the opportunities for further development of long-term economic, scientific and technical cooperation, including production cooperation. These opportunities concern in particular export from Czechoslovakia of machinery and equipment, metallurgical and chemical products, and reconstruction and modernization of production enterprises in China. On the Chinese side, discussions dealt primarily with the import of raw materials, food, animal feed, ready-made products of light industry, especially textiles and footwear, and of machinery.

YUGOSLAV TRIAL, HUMAN RIGHTS ISSUE NOTED

LD180015 Prague Television Service in Czech and Slovak 1830 GMT 17 Dec 84

[Text] According to the Yugoslav press a hostile campaign is currently being stepped up against that country. Antisocial-oriented individuals and groups are raising their heads, attacking socialist foundations in Yugoslavia. Those who are most active in this matter have quite openly established links with reactionary centers abroad. These links have been confirmed by an angry campaign launched in the West under the pretext of coverage of a court trial currently taking place in Belgrade for six Yugoslav citizens who have been accused of hostile activity against the existing constitutional order in the country. It is thus an exclusively internal Yugoslav affair.

Nevertheless, as has been reported in Belgrade, a representative of the U.S. Congress requested Yugoslav authorities to enable representatives of the U.S. Congress and some foreign organizations to attend the court proceedings. When that request was rejected as interference in the internal affairs of Yugoslavia, stereotyped accusations of human rights violations and open threats against Yugoslavia began to be made in West.

At the same time the Yugoslav press carried a report that the flood of various contradictory trends and concepts in the approach to resolution of fundamental questions on further development of Yugoslav society, primarily on the part of influential figures or political institutions, is having a negative influence on the political mood of the Armed Forces, provoking dissatisfaction and spreading mistrust among its ranks, says the Yugoslav press.

NATO BLAMED FOR FAILURE OF VIENNA MBFR TALKS

AU141255 Bratislava ROLNICKE NOVINY in Slovak 13 Dec 84 p 5

["(S)"-signed commentary: "Unused Opportunities; the Conclusion of This Year's Negotiations in Vienna"]

[Text] Today, for the last time this year, the representatives of 7 Warsaw Pact states and 12 NATO countries will meet the 34th round of talks on reducing armed forces and armaments in central Europe. These deliberations, often characterized as a marathon because they have already been going on for more than 11 years, are not satisfactory even now; they have ended by a kind of marking time at the same spot. But this is not because such was the objective necessity, it is because the West continues to lack the goodwill to search for and find ways out of the situation which would be acceptable to both sides.

While the socialist countries manifested in this last round, too, their endeavor to free the way to an accord even in the exacerbated international situation caused by the deployment of new American missiles in Western Europe, the NATO member countries pursued their old tactics of complicating existing problems and creating new ones. They defended their proposals, in which we can see no indications of a true endeavor to resolve the disagreements between the two sides at the negotiations. As before, the West refused to resolve the key issues of reducing troops and armaments in central Europe, although it is exactly on the solution of these issues -- which are the agreed-upon object of the Vienna talks -- that the formulation of control measures depends, and to which the number and nature of measures for real disarmament must correspond. It is sufficient to state that the NATO countries continue to evade the issue of reducing armaments, although this is directly envisaged by the agenda of negotiations. The Western participants in the deliberations have shown no desire to come to an agreement on other significant issues of the Vienna negotiations, either, issues aimed at reducing the level of military confrontation in central Europe.

Throughout most of this year, the West did nothing to contribute to progress; what is more, it made the prospects for achieving an agreement even worse. Surely the problems that separate the two sides can be sensibly and justly resolved. The path toward this is opened up by the proposals submitted last year by the socialist countries, proposals that continue to be fully topical. But the United States and its NATO allies continued to ignore in Vienna these realistic and constructive proposals, thus demonstrating that they are not trying to lead the Vienna talks out of the blind alley which they themselves have created.

CPCZ CC PRESIDIUM REPORTS ON 1985 ECONOMIC PLAN

AU120701 Prague RUDE PRAVO in Czech 6 Dec 84 pp 3-5

["Report of the CPCZ Central Committee Presidium on the State Plan of Economic and Social Development for 1985," presented by Svatopluk Potac, CSSR deputy premier and chairman of the State Planning Commission, at the 12th session of the CPCZ Central Committee in Prague on 4 December]

[Text] Comrades, at today's session of the CPCZ Central Committee, we are to discuss the draft state plan of economic and social development for 1985. It proceeds from the evaluation of the course so far in fulfilling the tasks of the Seventh 5-Year Plan and, in particular, from the prerequisites created by the higher-than-planned dynamism in the growth of the creation of resources last year and this year. The main target of the draft plan is to consistently continue to implement the party's political-economic strategy, to rapidly intensify the economy and substantially raise the efficiency and quality of all work as the basic prerequisite for fulfilling the cardinal goal, which is to maintain and improve living standards and to further strengthen the social guarantees of our people.

The CPCZ Central Committee Presidium and the federal government have discussed the draft plan submitted today together with the draft state plans of research and development, state budget, and the currency plan. They have adopted essential measures whose implementation in 1985, together with the conclusions of the Central Committee session today, will determine the content of the work of the entire party, all economic agencies, and trade union and other organizations associated in the National Front.

The political and economic importance of next year is determined by the fact that it is the last year of the Seventh 5-Year Plan, a year in which our joint endeavor to fulfill as successfully as possible the conclusions of the 16th party congress will reach its climax. It will also be a year of intensive preparations for the 17th congress and the year in which we will celebrate the 40th anniversary of the culmination of the national liberation struggle of our people and the liberation of our homeland by the Soviet Army.

All these are important incentives to accelerate the endeavors of all our society and the initiative of all working people aimed at fulfilling and overfulfilling the tasks of the Seventh 5-Year Plan. We will jointly do everything we can so that the results of this quinquennium will become a dignified part of the successful political, societal, economic, cultural, and social development achieved, under the CPCZ's leadership, in the 40 years of building socialism in Czechoslovakia.

This path has been neither easy nor straightforward and it has not been free of difficulties. In implementing gigantic revolutionary transformations in a historically short period of time and in politically tackling exceedingly momentous tasks -- such as nationalization, completion of the defeat of the bourgeoisie, industrialization, collectivization of agriculture, the building of the material-technical base of socialism, the establishment of the federal structure of the state, the overcoming of the crisis in the party and society, and setting out on the path of building an advanced socialist society mapped out by the 14th CPCZ Congress -- the party and the working people had to accomplish a great deal of work and overcome many obstacles and difficulties.

We will never forget that we were able to stride along this path safely and with confidence only because we could, and still can, rely on our ally and closest and most faithful friend, the Soviet Union. Our close interaction and cooperation with the other countries of the socialist community, too, was and still is of considerable importance for us and our path.

Our Policy Is One of Understanding and Peaceful Coexistence.

Comrades, while we concentrate all our work on tasks connected with the further economic and social development of our society, we are greatly concerned about the complex international situation. A sharp class struggle is underway in the world that directly affects the fate of the entire human race. The outcome of this struggle will determine whether world peace will be successfully preserved and war prevented.

The cause of the tense situation in the world is well known. It is the dangerous militaristic course of the most aggressive forces of imperialism. In an attempt to gain military-strategic supremacy over the Soviet Union and its allies, the ruling circles in the United States are banking on the pursuit of feverish armament, escalating ideological subversion, and exposing the world to the danger of a nuclear catastrophe. For this end, they are making use of a substantial part of their own and their allies' economic potential.

Imperialism creates conflict situations in various parts of the world. It acts without any scruples and cynically tramples underfoot the elementary norms of international relations. It suffices to recall the policy practiced by the United States in the Middle East or Central America -- toward Grenada, Nicaragua, El Salvador, or Cuba and its support for the racist regime of the Republic of South Africa, counterrevolutionary elements in Afghanistan, and all kinds of dictatorial regimes.

The deployment of new American first-strike missiles in some countries of Western Europe has further complicated and aggravated the situation on our continent. Nor does the current rise of revanchist tendencies in the neighboring FRG contribute to calm in Europe.

In the spirit of the ill-famed practices of the period of the cold war, the United States -- and, under pressure from it, some other capitalist states as well -- resorts to economic discrimination against socialist countries, taking measures that limit or even prohibit economic and commercial cooperation as well as cooperation in research and development. Thereby, it would like to economically weaken the community of the socialist countries, or at least slow its dynamic development. The implementation of a differentiated approach toward socialist countries is designed to disturb their cohesion and unity. Our policy is one of understanding and coexistence, based on the principles of equal security. We therefore seek and will continue to seek, equal and mutually advantageous and beneficial cooperation with all countries that respect these principles, regardless of their social system.

The socialist countries have repeatedly demonstrated that the policy of pressure, blackmail, and threats has no chance of succeeding. The Soviet Union and other socialist countries have stressed innumerable times that they will not permit the global military-strategic equilibrium to be upset and that they will not allow the Warsaw Pact countries to get into the position of the weaker partner vis-a-vis the countries associated in the NATO pact.

The development and expansion of economic cooperation and ties of integration with the Soviet Union and other CEMA countries is of existential importance for us, given this exacerbated situation. We fully support the conclusions adopted at the economic summit conference and at the 39th session of CEMA. We are taking active part in their implementation.

The ongoing historic class struggle confirms the progressiveness, humanitarian nature, and strength of socialism. The countries of the socialist community led by the Soviet Union have a steadily growing influence on the course of world developments. Their economic and defense potential is not only a firm barrier against the forces of imperialism, but also a reliable mainstay of the worldwide movement for progress and peace.

With initiative and tirelessly, the Soviet Union is putting forward proposals for dealing with grave international problems: putting an end to the arms race and adopting measures that would ensure lasting peace in the world. That is also the aim of the proposals adopted at the session of the Political Consultative Committee of the Warsaw Pact member-states in Prague last January, and of the declaration and statement adopted at the CEMA summit in Moscow this June. We welcomed the recent agreement between the USSR and the United States on the start of new talks. They should result in mutually acceptable agreements about a whole set of problems concerning nuclear and space weapons.

This policy is not only supported by all socialist countries, but it also encounters the understanding and support of progressive movements and democratic forces all over the world. It is only under the conditions of peace that we can implement our targets and plans of economic and social development and accomplish the tasks connected with the construction of an advanced socialist society.

By consistently reinforcing the political and economic strength of our republic and the entire socialist community, we also enhance the struggle for peace and social progress.

Faster Development of the National Economy

Comrades, this year's development of the national economy again shows that, even under the present complex conditions, we can be successful in accelerating the dynamism of the national economy's development, strengthening the creation of resources, and raising national income. For the first time in this quinquennium, the growth rate of national income will exceed the annual average stipulated by the 16th party congress. A contribution to this was undeniably made by the 10th session of the CPCZ Central Committee, which on the basis of the results of 1983 and the development in the first quarter of 1984, initiated the tightening of the requirements of the tasks of the state plan and the adoption of higher targets of the area of qualitative indicators, especially in labor productivity and in the reduction of material costs.

The Central Committee Presidium, the Federal Assembly, the CSSR Government, and the two republics' agencies have been devoting systematic attention to the elaboration of the conclusions of the last four Central Committee sessions on the economy and to the fulfillment of this year's tasks of economic and social development.

In reviewing the first half of the year, they adopted a number of measures to enhance positive results, eliminate the causes of shortcomings, and minimize their negative repercussions. Party and trade union bodies and organizations in the regions, districts, enterprises, and plants have been taking an active part in ensuring the conclusions of the 8th and 10th sessions of the Central Committee.

The more exacting application of the Set of Measures for Improving the System of Planned Management and the more consistent procedure of steering agencies have also had a positive influence. All of this, together with the development of the working people's initiative, activity, and socialist competition in response to the "Declaration of the CPCZ Central Committee, the Central Committee of the CSSR National Front, and the CSSR Government on the 40th Anniversary of the Culmination of the National Liberation Struggle of the Czechoslovak People and the Liberation of Our Homeland by the Soviet Army" resulted in the reinforcement of positive tendencies in the development of the national economy this year.

Due to the active support of party bodies and organizations and the working people's understanding for the Central Committee's aim to further accelerate the dynamism of the creation of national income in the interest of the economy's further development, the target tasks in labor productivity, reduction of material costs, and in production have been exceeded.

We can inform the Central Committee with satisfaction that, despite some problems and shortcomings that are being dealt with and gradually eliminated, a real increase in the national income by at least 3.2 percent will be achieved this year, judging from plan fulfillment in the first 11 months. This is a significant acceleration over 1983, when a 2.7 percent growth was achieved.

The generally favorable development is due to the higher-than-planned growth rate for production effectiveness, as well as cost efficiency. All major production branches, all of which will exceed their tasks, have contributed to this. Industrial production will increase by 3.8 percent; gross agricultural production by 3.6 percent, and the output of the building industry by 1.6 percent.

A positive feature of the development of the national economy is the fact that the national income is being increased by way of a gradual assertion of the economy's intensification, greater efficiency, reduction of transport-intensiveness, and greater mobilization of hidden reserves. The development of general costs has improved. The reduction of material costs and of wage-intensiveness in particular has accelerated, which favorably affects the creation of profit, the profitability level, and social productivity of labor. The higher resources [thus obtained] ensure balanced payment relations with abroad, the planned repayment of credits and reduction of indebtedness in freely convertible currencies, a further growth of earnings from work and of social and personal consumption, as well as a slight increase in the volume of investments.

Credit for these positive results of work collectives in industry, the building industry, agriculture, the transport sector, and other spheres of the national economy is due the political-organizational work of party, trade union, and youth bodies and organizations, the scientific-technical society and other organizations associated in the National Front, and state and economic agencies at all levels.

However, the predominantly positive evaluation of the development this year does not mean that we can be content with the results achieved. At Central Committee sessions and in party bodies, the federal and national governments focus attention on the solution of grave problems and the elimination of shortcomings that hinder a more rapid development of the national economy.

Aside from enterprises, organizations, and economic production units that fulfill their exacting tasks, and these constitute the majority, there are also those who diminish the results of joint work by failing to fulfill their obligations. Of course, any plan may remain unfulfilled for objective reasons when conditions change fundamentally in the course of the year. Yet some enterprises and economic production units are not fulfilling their tasks for reasons that, given an active approach and the working people's participation, could have been overcome. They are making their situation easier by arguing that the set tasks are not realistic and by demanding changes and adjustments of economic plans, very often with the aim of overfulfilling the scaled-down plan and thereby obtaining economically unjustified wage and other benefits. Ministries must draw the appropriate conclusions from this, and directors of economic production units and enterprises must take specific and specifically targeted measures to ensure comprehensive and continuous fulfillment of the state and economic plans in the last year of the Seventh 5-Year Plan and to eliminate delay.

Economically unjustified differences in the efficiency of individual plants, enterprises, unified agricultural cooperatives, economic production units, and branches point to the existence of yet other untapped possibilities. It is up to the supraordinated bodies to adopt, on the basis of analyzing the causes of the lags, specific programs aimed at raising those who lag behind to the level of the best ones.

We are not entirely successful in effecting production in the necessary structure and in adhering to the set directions of use, especially as regards exports to nonsocialist countries and deliveries for the domestic market and investments. A number of enterprises also fail to fulfill export tasks to the socialist countries in good time and at a good technical-economic level.

Some producers seek more convenient ways of marketing their products, often in contravention of national economic needs. Therefore, some products find no use, causing a disproportionate growth of inventories, delays in capital investment, and an increase in the number of unfinished projects.

However, the fact that progress in research and development and the innovative activity of enterprises have not yet become the main factor of our advancement in the economy's intensification must be regarded as the gravest thing of all. Despite a certain improvement, the technical-economic standard of a number of products and the standard of the social productivity of labor still lag behind our current possibilities. It must be said that in general considerable untapped possibilities exist in the utilization of our economic, research, and development potentials, as well as in the utilization of manpower.

These are not all our problems and shortcomings, and they are not new either. The Central Committee has recently been emphasizing them repeatedly and demanding their consistent elimination as an important prerequisite of further development. A number of correct resolutions have been adopted. Alas, these are not being fulfilled consistently. Instead of carrying out exacting checks and establishing prerequisites for the fulfillment of these resolutions, far too much energy is still being spent on explaining their nonfulfillment.

The majority of shortcomings stem from the still-unsatisfactory quality of management, planning, and control, a quality which far from corresponds to the exactingness of tasks. This is true at both central and enterprise levels. Although the targets of the 16th congress are being implemented in principle and the overall results are favorable, the shortcomings must not be underrated. The results would have been far more pronounced had due attention been devoted to overcoming weak spots in the work of every economic link.

That is why we must unconditionally and even more emphatically demand the fulfillment of duties and tasks from every managerial employee, every work collective, plant, enterprise, and all organizations of economic production units and ministries. This is an important prerequisite for the successful fulfillment of the substantially more demanding goals and tasks that we are adopting for next year.

For a Higher Creation of Resources

Comrades, the preparation of the draft state plan of economic and social development for 1985 proceeded from the decisions and conclusions adopted by the CPCZ Central Committee Presidium and the CSSR Government to tighten the tasks for the last year of the Seventh 5-Year Plan on the basis of the positive development of the economy in the last 2 years and on the basis of the possibilities in the mobilization of internal reserves. The tightened tasks are aimed at a higher creation of resources, which will make it possible to implement further economic and social development and to meet the increasingly varied and steadily growing needs of society and the public.

The draft state plan is extraordinarily demanding, especially in the acceleration of the process of intensification and in the growth of effectiveness [it foresees.] Furthermore, it reinforces positive tendencies by stipulating a better utilization of internal reserves and focusing on an energetic elimination of the causes of all shortcomings.

Therein lies the foundation for the growth of national income by 3.2 percent in constant prices. We consider as significant that both the dynamism achieved this year and the dynamism planned for next year exceed the average annual growth rate of 2.7 to 3 percent set by the 16th party congress. To achieve the planned growth, it will be necessary to use the results of research and development far more energetically, to fulfill the resolutions of the eighth CPCZ Central Committee session more consistently, to spend social labor more efficiently and improve cost efficiency, to raise production in accordance with the state target programs and the share of products with top technical-economic parameters in total production more rapidly, and to assert a more effective production structure and our economy's deeper integration in the international socialist division of labor.

The tasks set for the production branches emphasize the products' technological standards, their quality, and the desirable, effective use of production. A 3 percent increase in industrial production is envisaged, linked with the continuation of structural changes. The output of the building industry will increase 1.2 percent. This increase will be coupled with the reinforcement of capacities for the completion of major investment projects, with their concentration in designated areas, and with an increased share of repair and maintenance capacities. After the marked, 8 percent, increase in gross agricultural production last year and this year, its volume will be essentially maintained at the attained level. However, the plan foresees a more efficient utilization of our own fodder resources, higher yields, and a greater intensiveness of agricultural production. This will permit a further growth of the food industry's production, an expansion of the range of food products, and an improvement in their quality.

Both national republics will take part in ensuring the set growth of national income and production within the framework of the unified Czechoslovak economy. The tasks of the Czech Socialist Republic and the Slovak Socialist Republic in the creation of resources proceed from the basic targets and goals of the Seventh 5-Year Plan and follow up on the good results of their implementation so far, in keeping with the intentions of the 16th congress -- a greater dynamism of development is envisaged for Slovakia, especially in relation to the growth of national income and industrial production.

The CSSR state budget and currency plan are aimed at deepening the economy's intensification, increasing the creation of resources, and asserting cost efficiency in all sectors. The goal of fiscal policy is, above all, to save costs, especially material costs, to raise the economy's profitability, and to increase the creation of profits, which should increase 9 percent and amount to Kcs156 billion.

An exacting application of fiscal tools should help achieve greater cost efficiency and thereby increase the enterprises', economic production units', and organizations' retained earnings with the goal of limiting budget subsidies, which do not constitute an objective base for production costs and the level of profitability.

Bank officials must use the CSSR currency plan and credit and foreign currency resources to promote intensification, speed up the progress of research and development, bring about a more efficient utilization of production assets and speed up the turnover of inventories, and implement streamlining and modernization projects and all progressive tendencies. The exacting nature of next year's tasks requires that the employees of the fiscal and credit system make better and more efficient use of their powers and possibilities, work for a comprehensive and continuous plan fulfillment starting at the beginning of the year, and energetically assert social interests.

By mobilizing all factors of the creation of national income, an increase in national income by Kcs17.2 billion will be ensured.

This increase must be used efficiently and reasonably to further increase our economic potential and to ensure the priorities of our economic policy. Next year, too, we will continue to strengthen the balance of our external economic relations and to consistently repay credits in freely convertible currencies in keeping with the targets of the Seventh 5-Year Plan.

The international political situation, especially the endeavor of the NATO countries to gain military supremacy, requires that we, like other countries of the Warsaw Pact, adequately increase resources for strengthening the defense capability of our country and the entire socialist community.

At the same time, the meeting of the internal needs of the economy will improve compared with the original assumptions of the Seventh 5-Year Plan. Used national income will increase 2.3 percent, which substantially exceeds the figure that will be achieved this year. More than 85 percent of the increase in used national income will be earmarked for consumption by the nonproduction sphere. Of this, Kcs5.3 billion will be earmarked for an increase in private consumption. Almost Kcs9 billion will be earmarked for social consumption.

The existing nature of the concept of the state plan for next year, and its exceptional importance for fulfilling and exceeding the tasks of the Seventh 5-Year Plan, require that the ministries, economic production units, enterprises, and organizations -- in cooperation with planning and financial agencies and with the active participation of party and trade union bodies -- concentrate their full attention and creative detailing of the state and economic plans and take specific measures for their successful implementation.

Making Better Use of Fuels, Energy, Raw and Other Materials

Comrades, the fundamental prerequisite for maintaining the current rate of creation of national income and satisfying the greater needs of society next year is to continue to accelerate the process of the intensification of the whole national economy. This intention is expressed by the marked reduction by 0.5 percent of the share of production consumption in the social product compared with this year, which constitutes roughly Kcs7 billion worth of new resources. This is considerably more than we have achieved before.

The reduction of production consumption puts emphasis on the further drop in the consumption of energy, raw and other materials in the creation of the national income. The consumption of primary fuel-energy resources per unit of created national income will drop by 3 percent, that is double the annual average achieved in the 4 years of the Seventh 5-Year Plan. Despite the positive results as regards savings in recent years, total energy consumption is still high when compared with the developed countries. It is therefore necessary to mobilize the large untapped potential in the national economy also because securing new energy sources is even more expensive and requires tens of millions of korunas, which reduces the possibilities of using them more effectively, particularly for modernizing the processing industry.

Therefore the main endeavor must be oriented toward eliminating all the causes of the inefficient use of energies.

This is the direction of state target program No. 02 -- the rationalization of consumption and use of fuels and energies, which should ensure a saving of 2.5 million metric tons of standard fuel -- the direction of the activity of the commissions for the comprehensive socialist rationalization, which carry out the national check on the consumption of fuels, energy, and motor fuels, and the direction of the state-wide competition in conserving energy as well as further envisaged measures, particularly in the consumption of heating oils in power generation.

The efforts of our improvers, designers, and scientists must be oriented to that end but so must the initiative of the comprehensive efficiency brigades. The endeavors, initiative, and measures so far have yielded valuable results and contributed to reducing the demand for energy. Therefore one must not ease up with these efforts.

Along with a stricter and more consistent assessment of consumption along the intradepartmental line, the State Energy Inspection Agency must pay even greater attention to this sphere. This does not just involve big consumers. Equally strict demands will also be made on consumption in the socialist small consumers sector and in organizations managed by the National Committees.

The extraction of coal and the generation of electricity proceed from a development concept that stresses the thrifty use of fuel energy and according to which -- compared with the current year -- the extraction of brown coal will be reduced and the generation of electricity in the nuclear power plants in Jaslovske Bohunice and Dukovany, in which new blocks will be put into operation, will be increased.

The delays in their construction are harming the national economy. Compared with the Seventh 5-Year Plan, the nuclear power plants will generate roughly 4 billion kWh less in 1985, a matter that needs to be compensated for partially through generation in steam power plants, but there will be a negative impact on the economy, the ecology, and we will have to draw more from our coal reserves. The good operational results of the V-1 nuclear power plant in Jaslovske Bohunice demonstrate the urgent need to ensure the construction of nuclear power plants within the planned deadlines. Everyone, the designers, investers and suppliers, must therefore concentrate maximum effort on our production and assembly capacities so that there are no further construction delays.

Exceptional attention must be paid to reducing consumption of all crude oil products, especially of heating and motor oil, because also in the coming years we cannot afford to increase the consumption of crude oil for energy purposes.

There are demanding tasks as regards the reduction of the consumption of ferrous and nonferrous metals, where we expect that within the framework of the No 03 state target program -- the rationalization of the consumption of metals -- the congress directive on their savings will be fulfilled. That means achieving a saving of 470,000 metric tons of ferrous metals and more than 13,000 metric tons of nonferrous metals in the national economy next year. The aforementioned savings are to be regarded as the minimum.

A more effective utilization and valorization of all fuels, raw and other materials, is the fundamental prerequisite for ensuring the determined tasks in the creation of national income. That also applies to making better use of secondary raw materials. In this respect we have adopted quite a few resolutions and one has to insist on their speedy implementation. The Central Trade Union Council has issued an appeal calling for several-day's worth of production from saved raw and other materials. A number of regions, districts, and enterprises are already responding to the appeal with concrete deeds. We fully support that initiative. From the Revolutionary Trade Union Movement we expect that the plans of activity will proceed from the results to date and will orient the working people toward a broader fulfillment of the aforementioned appeal in the spirit of the ninth plenary session of the Central Trade Union Council.

The acceleration of intensification should result in a 4.7 percent growth of work productivity from the adjusted value added, with industry accounting for 5.6 percent growth. Thereby labor productivity will account for 90 percent of the adjusted value added.

Up to now, however, the effort to improve productivity has been impeded by the practice where many enterprises fulfill production tasks with more employees and create new jobs without making better use of existing capital assets or improving the technological standard of production and the organization of work. Such a practice is in the interests of neither the national economy nor of work collectives or individuals because it makes it difficult to increase average wages.

A systematic increase in efficiency consciousness and reduction of losses in the national economy are an integral part of the overall process of intensification. These are shortcomings caused chiefly by the subjective factor and by the attitude of people toward work and the fulfillment of duties. Even a partial mobilization of the untapped potential, which lies in the not completely thrifty handling of resources and in the losses orginating in production, in storing final products, and in other spheres of the national economy, could release considerable resources for further development and for final consumption by the population and society.

In recent years a number of measures have been adopted, the purpose of which is to limit losses in the national economy and to suppress the lack of thriftiness. These are measures that are, in particular, oriented toward improving the quality of products, reducing the number of defective products, limiting losses in agricultural production and in other sectors, streamlining administrative work, and reducing nonproductive and overhead costs. These measures must be consistently fulfilled.

Purposeful Direction of Scientific-Technical Progress

Comrades, the consistent fulfillment of tasks, the struggle for quality, and purposeful innovative activity require rapid application of the results of scientific-technical progress. We are striving to fully utilize the results of our scientific and research base. Therefore, we expect that the volume of production beginning in 1985 on the basis of the utilization of the results of science and research will exceed Kcs11 billion. The resources that we have, for example, been investing in the development of sectors incorporated in state target programs will yield about a 25-percent increase in their production next year, especially in electronics and chemicals. That corresponds to the long-term intentions pertaining to changes in the structure of our economy. We must pay greater attention to the state target programs in engineering.

At the same time, we will also apply the findings made abroad, including licenses, which should yield a further increase in production of roughly Kcs6 billion. However, compared with the tasks arising from the conclusions of the eighth CPCZ Central Committee session, the aforementioned results are still insufficient. In order to improve the situation, we must accelerate the overall research-development-production-utilization process to catch up with the rapid development now underway in the world.

Progress must be achieved in the production of products of high technical-economic standards, whose volume is to increase, compared with the intentions of the 5-year plan, by Kcs36 billion. Even so, their share in industrial production will be low, and the set tasks must be regarded as the minimum.

Ranking personnel of all levels, together with the party, trade union, and youth organizations, face another important task: improving the quality of production and of all work. Poor quality depreciates the work expended and causes difficulties in marketing, losses in foreign trade, and dissatisfaction among our consumers. Increased care for quality is one of the very important demands of the 16th congress. The CSSR Government discussed the standards of our testing sector and set guidelines for more strictly inspecting the quality and technical standards of our products, in comparison with foreign products and in relation to asserting social interests before the interests of enterprises.

Purposeful activity in the sphere of scientific-technical progress requires that all enterprise, economic production units, and ministries have a clear program for enhancing technical-economic standards and the quality of production, products, and technologies, as well as concrete proceedures for realizing their plans. They must have a clear idea what products to innovate when and with what parameters, and with what technical-organizational and cadre measures to ensure these measures. The initiative of designers, planners, inventors, improvers, comprehensive efficiency brigades; organizations of the Revolutionary Trade Union Movement and the Socialist Youth Union; and the scientific-technical sphere of society must be channeled in that direction, while at the same time production is made more economical and the weight of products and energy consumption in their production is reduced. Also the State Commission For Research and Development and Investment Planning, the planning commission, and other central agencies must create system prerequisites and conditions for this while helping speedily realize this.

Next year more than Kcs19 billion in noninvestment resources and 10 percent more in investment resources than this year will be spent on research and development tasks and on further development of the CSSR research and development base. This must be used for fulfillment of the main tasks. In order to further improve equipment of the centrally managed research organizations, they will receive instruments and modern installations, part of which will be purchased abroad or manufactured under license. The number of workers within the scientific-technical base will rise by 2,700. Efficient use must be made of all these resources for fulfillment of the main tasks and for improving economic results.

In the interests of more effective, more flexible, and smoother utilization of the resources allocated for scientific-technical development according to the guidelines of the eighth Central Committee session, as of next year we will establish funds at the economic production unit level whose resources will be transferrable from one year to the next. We will make it possible to combine the financial resources of the scientific-research base and production, a matter that will helping establishing scientific-production associations and more closely tie science with production. Since we are reinforcing the research and development base in this manner and creating conditions for the development of all preproduction stages, we rightly expect that this will be reflected in the efficiency of their work, especially in the rapid resolution of short-term tasks, which the national economy urgently needs. In order to resolve the most important tasks quickly, we have been given permission to build pilot and test plants.

The relationship between the tasks of technical development and production is also being improved by determining the obligatory volume of production from finalized tasks whose major results are specifically determined.

In the state and economic plans it will be necessary at all levels of management to comprehensively and more consistently ensure completion of the tasks of scientific development, the axis of the plan. This is a matter that has not been a full success until now.

Rationally Oriented Production

Comrades, the processing branches are the catalyst for the development of production. Of the increase in industrial production of more than Kcs20 billion, they will account for 88 percent, with the share of the energy- and material-intensive branches being reduced.

Engineering and the electrotechnical industry play a vital role. The production of the heavy engineering sector is to increase by 5.3 percent, of the general engineering sector by 6 percent, and of the electrotechnical industry by more than 10 percent.

The 10th session of the CPCZ Central Committee discussed the tasks and development of engineering and the electrotechnical and metallurgical industry after the 16th congress, approving the necessary measures. The CSSR Government approved a course aimed at ensuring the conclusions of that session. Several months have elapsed since that session, the tasks remain in effect, and therefore it is not necessary to deal with them in any great detail. We expect from the workers of the appropriate ministries, economic production units, enterprises, and party and trade union bodies that they will consistently and creatively fulfill the tasks determined by the 10th CPCZ Central Committee session.

The chemical industry, the production of which will increase by 3.3 percent, particularly through better valorization of crude oil and other raw materials, is a key element in the realization of the desirable and effective changes in the structure of production.

We will therefore begin building plants that can process crude oil more thoroughly. We need, above all, to accelerate scientific-technical development and find solutions which are the original result of Czechoslovak research and development and that will create chemical specialities in demand on world markets.

That demand also applies to the production of medical supplies. The capacities we are putting into operation will next year enable us to increase production by 7 percent. That, together with a rational orientation of production, will improve the supplies of pharmaceuticals and medical material in the required range.

The wood-processing and cellulose industry will increase its production by 4.8 percent. This has been ensured by the necessary deliveries of wood-fiber in connection with the continuing reduction of exports of raw wood. Full and efficient utilization of the modern and reconstructed facilities, built at great cost, requires that the appropriate ministries, economic production units, and enterprise take decisive steps to achieve the projected parameters and eliminate the shortcomings that still exist.

Light industry, whose production will increase by 2.4 percent, must contribute to better satisfying the domestic market -- especially in relation to textiles and footwear, the sectors in which some serious problems regarding choice persist. Its export tasks, especially in relation to exports to the Soviet Union, are also considerable. The urgent need to systematically improve the situation on the domestic market, as well as the importance of exports in the interest of a balanced balance of payments require that the deliveries in both these respects of utilization be of equal importance. Therefore it is necessary to create conditions for a gradual change in the structure of light industry production by modernizing selected sectors with the aim of making the most of skilled work and increasing the share of high-quality, high-utility value goods.

The tasks of industry are very demanding in relation to the growth of intensification, increasing production, improving the quality of products, the changes of the structure of production, and ensuring socially desirable uses of production. The results being achieved prove their feasibility. These tasks must be consistently ensured from the very beginning of next year.

In construction production there has been some improvement in fulfilling the conclusions of the Standpoint of the CPCZ Central Committee Presidium on the Situation in Construction. The consistent realization of the standpoint requires from the construction production sector that it fully ensures projects vital for the further development of the national economy, especially finishing the mandatory projects to be put into operation next year.

Construction facilities for reconstruction, modernization, and comprehensive housing construction, including modernization maintenance and repair of the housing fund, must also be reinforced.

In the past days, the Central Committee Presidium discussed a report on the results achieved in the fulfillment of the Standpoint and adopted measures aimed at stabilizing and utilizing manpower in construction branches. The purpose of the measures is to increase the performance and efficiency of construction production. The CSSR Government and the national governments approved a Set of Realizational Measures, which is above all oriented toward utilizing domestic reserves through a substantially improved organization of work at construction sites, tightening technological and work discipline, increasing interest in the results and quality of work, and stabilizing manpower.

The transportation sector ensures, on the whole, the transportation needs of the national economy, while reducing demand for energy. The share of railroad and water transportation in the overall performance of the transportation system is increasing.

In transportation and communications next year further improvements in the quality of performance, especially in services provided, the systematic elimination of often criticized shortcomings must take place. Above all the improvement of travel comfort, adherence to timetables, and the expansion and reliability of communications services is involved here.

At its 11th session the Central Committee comprehensively discussed the current tasks and long-term development of agriculture and other sectors ensuring food for the people. The tasks aimed at comprehensive development of agricultural production and agricultural cooperatives were also determined at the 10th Congress of Unified Agricultural Cooperatives, which was held last week. Therefore, at today's session it is not necessary to deal in detail with the tasks of this sector. We merely wish to stress that the exceptionally good crop of cereals, the results of the rationalization measures, and the intensification in animal production have created a more favorable base for fulfilling the tasks of agricultural production, ensuring smooth supply, reinforcing the stability of the market with foodstuffs, increasing reserves, especially of fodder, and doing so at a central level as well as in agricultural organizations.

In the context of agricultural production development, the food industry's main task next year will be to better valorize agricultural raw materials, supply the domestic market with a richer choice, introduce new products, improve their quality and packaging, and thus ensure a better satisfaction of the population's needs. All that, however, requires that industry, especially the engineering industry, ensure the availability of necessary technological equipment and sufficient quantities of suitable packaging material and packaging machinery.

New Capacities in Operation On Time

Comrades, the endeavor to intensify the economy through scientific-technical progress, innovation, structural changes, joining the international division of labor, and particularly specialization and cooperation is closely connected with the orientation and realization of capital construction.

The faster pace in growth of national income, and thus also the greater creation of resources, make it possible to expand investments. For 1985 we have allocated Kcs162 billion for investment, which is more than foreseen in the original Seventh 5-Year Plan. From that sum, production sectors, transportation, and communications will receive almost 63 percent.

A considerable part of investments will go to the sectors of fuels and energy, the agrocomplex, and the engineering-metallurgical complex, including electrotechnics. Utilization of these resources is oriented mainly toward speedy application of science and technology, fulfillment of the state target programs, the ensuring of structural changes, increases in the production of new products with high technical-economic parameters, and expanding production of goods in short supply and in demand on the domestic and foreign markets. Modernization and reconstruction is being expanded, enterprises are receiving more highly advanced equipment, and resources for the purchase of single-purpose machinery and returnable foreign currency credits are increasing. So far, these credits are being made use of, to a considerable degree, by enterprises and economic production units of the consumer goods industry; they should be utilized by the engineering and electrotechnical industries to a greater extent.

The most complex problem in relation to preparation of the investment construction plan was to determine the extent and selection of new projects, which should begin a cost of about Kcs52 billion at the comparable level, which substantially exceeds the annual average for this quinquennium. This assumes even greater significance since the decision on starting new investment actions in 1985 essentially concerns structure, dynamism, quality, and above all efficiency of the economy in the second half of the eighties and in the nineties. The extent of the starting [of projects construction] also influences development in the field of projects under construction which, despite a certain improvement, has not reached the level set by the plan. An important fact is that a number of important actions are not ensured on time, be it in respect of planning or deliveries.

Almost 22 percent of the newly started projects are oriented toward development of fuel and power engineering; 15 percent are in the metallurgical-engineering complex, including the electrotechnical industry; more than 20 percent are in the agrocomplex; more than 9 percent are for transportation and communications; and 9 percent are for the Ministries of Industry in the Czech and the Slovak Socialist Republics. The positive aspect is that about 60 percent of the new projects in industry, especially in engineering branches, involve reconstruction and modernization. That trend ought to continue also in the coming years.

The great demands for new projects concentrated on the last year of the Seventh 5-Year Plan but applied during the subsequent years as well, cannot constitute a realistic foundation for preparing the draft of the Eighth 5-Year Plan. That is why ministries, economic production units, enterprises, and national committees of all levels must expeditiously revise their investment concepts and consistently respect the viewpoint of efficiency and possibilities of the economy. They must follow the path of reconstruction and modernization, reduce the number of projects simultaneously under construction, and make full use of existing basic assets.

These principled viewpoints must also be considered in the work of the planning agencies and the Commission for Research and Development and Investment Planning, especially in selecting and making expert appraisals of new projects.

The concentiation of resources, manpower, assembly facilities, and deliveries to ensure timely commssioning of all capacities scheduled to be completed next year, requires our full attention. Our national economy will acquire 92 new production and 20 new nonproduction capacities that are important for the economy; and their completion has been set as mandatory for next year. Delays in construction result in production shortfalls and in losses of foreign exchange and profits.

That is why the trend toward improvement we have registered in the past years must be continued. This year will see completion of almost 90 percent of the projects [set as mandatory by the state plan] compared with only 60 percent in 1981.

However, trial runs and start-ups of new facilities are taking a less successful course, with new plants failing to reach the projected parameters. This is true of almost all industrial branches. This worsens the return on and reduces the effectiveness of invested resources and calls forth disproportions in the national economy.

In discussing the draft plan for next year, the Central Committee Presidium and the CSSR Government subjected to sharp criticism fundamental shortcomings in the approach to capital investment and emphatically demanded that the appropriate managers consistently implement the demands of the 16th party congress concerning investment policy, and that party bodies and organizations check on the fulfillment of set tasks.

More Flexibly in Foreign Trade

Comrades, developments so far confirm the growing importance of external economic relations and the need to give them priority. This priority is expressed, above all, in the planned further growth of total foreign trade turnover with the socialist countries, which will increase 4.7 percent and amount to Kcs253 billion. Of crucial importance is trade with the Soviet Union, which accounts for 61 percent of our trade with CEMA countries.

The vital importance of economic cooperation with the Soviet Union is obvious; it is demonstrated by life itself. It ensures conditions for a dynamic development of our national economy by covering the decisive portion of our needs for clean fuels, raw materials, and other products, and at the same time by providing a market for the products of our manufacturing industry, especially engineering. Engineering, as the key export branch, accounts for 67 percent of total Czechoslovak exports to the Soviet Union.

Because the possibilities for trade between branches have been virtually exhausted, higher and more progressive forms of cooperation are growing in importance in bilateral relations with the Soviet Union. It is thus necessary to speed up the implementation of trade within branches and sectors through specialization and production sharing in engineering, electrical engineering, and chemistry, and to ensure corresponding changes in the structure of our production. For this to happen it is necessary to create the necessary conditions for closer cooperation between workplaces in the preproduction stages, for direct ties between production sectors and economic production units, and for setting up additional joint enterprises.

Maintaining equilibrium in the balance of trade and payments with all socialist countries will require that production and foreign trade help fulfill export and import tasks. This task will not be easy. The markets of our largest trading partners, the Soviet Union and other socialist countries, are becoming increasingly demanding. Their demands for higher technical-economic standards and quality and greater variety in products, better service, and better commercial services are fully justified and in keeping with our own economic interests and the interests of the entire socialist community.

The tasks of foreign trade to nonsocialist countries only insignificantly exceed the level expected this year. This is not only a consequence of external conditions but, to a considerable extent, also due to the slow adaptation of production and foreign trade organizations to the changing conditions in those demanding markets.

It is essential that we continue to limit exports of fuels and raw materials and establish conditions for strengthening efficient exports of manufacturing branches, especially engineering.

The crucial task facing our producers and foreign trade is to improve the efficiency of our exports to nonsocialist countries, in defiance of politically motivated difficulties and barriers.

The competition our products encounter on foreign markets should be perceived by production primarily as a challenge to raise the technical-economic standard of products so we can compete successfully. The situation in world trade requires that the Ministry of Foreign Trade and foreign trade organizations respond more promptly to changes in trade conditions, seek nontraditional forms of trade and new commercial ties, and suitably combine import operations with exports. This approach is also important in seeking broader possibilities for exporting complete investment units. In this it is important, above all, to promptly and comprehensively prepare tenders, negotiate contracts in good time, and flexibly ensure them in production.

With regard to the situation in exports to nonsocialist countries, it is essential to continue to reckon with a regulation of imports. Preference will be given to imports that will be used efficiently and to the utmost, and that will promote our export plans. The contemplated level of imports will ensure the needs of a plan-based development of the national economy.

Next year, imports of machinery and equipment for investment purposes from nonsocialist countries will increase 14 percent, the bulk of them being earmarked for modernization. These resources can yield the expected benefit only if they are used efficiently and if the planning and deliveries for these investments are ensured in good time and more thoroughly than in the past, when such shortcomings were the main cause of the non-utilization of some resources planned for imports. We cannot forever be satisfied with imported machinery and equipment not being put into operation on schedule or failing to reach the projected parameters.

By effecting additional profitable exports, we can ensure foreign currency means for higher imports. To increase imports of modern technology, greater use must be made of returnable foreign exchange credits, the condition being that they be repaid within 3 years at the most through higher exports.

Improving the Meeting of the Working People's Needs

Comrades, national income is the main source of increasing material and cultural standards. It will make possible a 3.8 percent increase in aggregate personal earnings totalling almost Kcs420 billion, including the wage and social measures about which the Central Committee was informed at its last sesssion. In harmony with this, we can implement the conclusions of the 16th CPCZ Congress on the standard of living. Private consumption will increase 2.2 percent in comparable prices, and its level next year will exceed the target of the Seventh 5-Year Plan by more than Kcs6 billion. Social consumption will increase 5.2 percent and its growth will thus be more rapid than in the preceding years.

Due to new measures in support of families with children and in pension and health insurance, personal income from social security payments will increase more than Kcs5 billion and will exceed Kcs85 billion.

The volume of wages will increase 2.5 percent and average monthly wages in the national economy will increase by an average of 1.8 percent, reaching roughly Kcs2,960.

Managers and trade union bodies and organizations must see to it consistently that wages, premiums, and bonuses are immediately dependent on the results achieved, on the employee or the collective's performance, and on the quality of work. We can rely on the overwhelming majority of the working people for support of these principles of wage policy and on their demand that order in wages and remuneration be tightened. With the active participation of party and trade union bodies and organizations, conditions must be established at all levels of economic management for further increasing effectiveness, cost efficiency, and labor productivity as the basic prerequisites for increasing the volume of wages, individual earnings, and, consequently, living standards.

The second stage in reinforcing the economic effectiveness of the wage system will be implemented gradually at the beginning of next year. It is of great political, social, and economic importance. Its aim is to significantly deepen the socialist principles of remuneration and to assert wage differentiation and the merit principle. Implementation of this second stage can be approached only by enterprises and organizations that will fulfill the conditions and create the necessary wage resources by improving their economy and mobilizing reserves.

We want the development of personal earnings and wages to correspond to the creation of national income and to the economic results of enterprises and organizations. The purchasing power of the public must also correspond to the volume and demanded structure of supplies to the domestic market and paid services.

The public is expected to increase its purchases of goods 4 percent next year, an increase of almost Kcs12 billion. Both production and trade must reckon with this and, by improving the quality and expanding the range of foodstuffs and industrial merchandise, must ensure conditions for improving the situation on the domestic market.

There will be an improvement in meeting the public's demand and need for all major groups of industrial merchandise. For example, a total of 116,000 passenger cars will be delivered to the domestic market, which substantially exceeds the figure for the preceding years. Because of the extensive use in households of industrial consumer goods, incremental deliveries will concentrate primarily on products in great demand. Deliveries of freezers will increase by 9 percent to 180,000 units; deliveries of color television sets, 62 percent to 226,000 units; deliveries of recorders, 13 percent to 120,000 units; and deliveries of bicycles, 9 percent to 583,000 units. The CSSR Government has encouraged the elaboration of proposals for modernizing and reinforcing the production capacities of the textile and footwear industry in the interest of improving domestic market supplies. Production cooperatives and the local industry, too, must make a bigger contribution to increasing the deliveries and diversifying the supplies of textiles, garments, and other demanded types of consumer products. There will also be an increase in imports of underwear, footwear, and knitwear.

This year, we saw a number of good examples of the beginning of domestic production in enterprises that did not have such production in their original production programs. These enterprises were charged with devoting at least 1 percent of their total production in terms of value to the production of goods for the domestic market. However, a number of producers have failed to fulfill this task and the volume of these deliveries is still small.

It is essential that production enterprises lagging behind in fulfilling this task ensure, in cooperation with the trade network that this production is at least at the set level.

The situation on the food market is essentially stable and distinguished by a high level of consumption. Supplies of tropical and subtropical fruit to the domestic market will improve. The positive developments in agricultural production and the food industry make it possible to further improve the supply of foodstuffs. It should not happen that some routinely produced foodstuffs are not always available. Such shortcomings are unnecessary -- their causes being in production and trade -- and it is necessary to resolutely come to terms with them.

The increase in the production and supply of modern, technologically perfect products with enhanced utility value, of special quality merchandise, and of innovated products is also in the economic interests of production and trade enterprises and organizations. It ensures for them good economic results and development prospects. We place emphasis on the functional reliability of the products supplied by the production sector and on good standards of service and selling in the trade network. It is the duty of the production sector to improve the effectiveness of internal control in the spirit of the resolution of the CPCZ Central Committee Presidium and the CSSR Government on improving control in the national economy and in state administration. The trade network must expand quality inspection in accepting merchandise from production, raise the standard of acceptance, and guarantee that poor quality products do not reach the shop network. This is a highly important and politically sensitive task.

Along with expanding the supplies of merchandise to the domestic market, there must also be an improvement in meeting the needs of the population in paid services, especially personal services, but also in services connected with housing, transportation, and communications. For this to happen, it is necessary that national committees and cooperatives more actively approach fulfillment of the tasks set forth at the Sixth CPCZ Central Committee session.

The volume of resources for a more comprehensive meeting of those public needs that are financed from society's means is also being increased significantly. This concerns, in particular, outlays for social security, education, health care, and culture. Social consumption will amount to Kcs11,600 per capita per year. This exceeds more than five-fold the average per capita monthly earnings.

A new concept of preschool education and a reorientation in primary schools were implemented in the past years. In 1985, 97 percent of all children in the relevant age group will attend kindergarten. The tasks of the 5-year plan in extracurricular care and catering for school cafeterias will be exceeded.

The tasks in developing the educational system for secondary and university-level schools are being gradually implemented. Basic problems and tasks concerning intensification of the educational process and a comprehensive application of progress in research and development were discussed by the nationwide teachers' conference. The conclusions of the conference must be consistently implemented.

We envisage a further improvement of material conditions for increasing multifarious health care. The number of hospital beds will increase more distinctly than in the past years. The construction of new hospitals, establishments for the treatment of the chronically ill, and many other medical facilites will be either completed or started.

To improve health services and their promptness, it is necessary to make use of the approved wage measures and raise the number of health care employees. Their number will increase by 31,000 in the course of the Seventh 5-Year Plan. Next year, the physician-patient ratio will drop to 273:1, which is an improvement of 13 percent over the beginning of the 5-year plan. In health care and education, it will be necessary to make more efficient use of all resources earmarked for improving the quality of their activity.

In the interests of fulfilling the housing program for the entire quinquennium, a total of 107,000 apartments will be completed next year, which is an increase of almost 16,000 over this year. The housing situation of approximately 300,000 people will be improved. Almost Kcs28 billion, of which the bulk will be covered from social resources, will be spent on housing, housing construction, and the maintenance of the housing stock next year.

It is urgent that national committees and building organizations comprehensively ensure housing construction, including all facilities determining good quality housing. In spite of a certain improvement, considerable problems persist in the quality of completed apartments and other facilities, as is documented by the large proportion of defects revealed during quality-control inspections.

Next year, tasks in modernizing the housing stock administered by socialist organizations will double. Nonetheless, the task set for the Seventh 5-Year Plan will be fulfilled only 50 percent.

Improving the standard of housing is an important political task. We demand that the national committees, subcontractors, and all participants in comprehensive housing construction and modernization adopt measures necessary to improve the present state of affairs.

Along with improving people's material and cultural standards, we are also accelerating the solution of environmental problems. The implementation of independent ecological projects with investment costs of Kcs2 billion is planned for next year.

Some important environmental protection projects will be completed. These include sewage water treatment plants, installations for desulfurization and liquidation of expansive gas odors, dust collection facilities, liquidation of air pollutants in some plants, and the liquidation of waste and scrap. At the same time, construction of more than 50 important projects aimed at improving the environment is to start next year. A fundamental solution is being prepared for the Eighth 5-Year Plan -- not only through the doubling of resources earmarked for this purpose, but also by effecting a transfer of electricity generation from thermal power plants to nuclear power plants, limiting the use of heavy heating oil as a source of energy, and changing the structure of production, all of which will gradually be very favorably reflected in the general ecological situation.

An irreplaceable role in meeting the multifaceted needs of the population and establishing better living conditions is played by national committees. They have large material and investment resources at their disposal for this. They directly influence the development and operations of important sectors such as health care, education, the housing economy, public catering, water economy, local transport, and many others. A great deal has been accomplished, but plenty of work is still in store for national committees at all levels. That is why it is so urgent to continue to consistently implement the conclusions of the sixth Central Committee session, and to do so with the active participation of citizens.

Intensification, Effectiveness, and Cost Efficiency

Comrades, with the targets and tasks of the economic and social development of the last year of the Seventh 5-Year Plan, we are concluding the important and crucial period of the first half of the eighties, when we have had to deal with a number of complex problems connected with the demand to gradually intensify economic development.

As is known, following the 16th congress, further important changes occurred in external and internal conditions compared with the assumptions from which the congress proceeded. Our guidance of economic policy and the system of management has been aimed at cutting the period necessary for a fundamental adaptation of the economy to the new conditions to a minimum -- to the first 2 years of the Seventh 5-Year Plan. At the same time we established that the process of intensification should be restored at the beginning of 1983 when effectiveness and cost efficiency in all sectors of the national economy should be enhanced as a basic prerequisite to renewing the dynamism of national income at the level determined by the 16th CPCZ Congress.

This strategic target of the concept of the Seventh 5-Year Plan is being successfully implemented. Evidence of this is furnished by the fact that whereas in the 2-year adjustment period national income increased Kcs7 billion, in the years 1983-85, the period of renewed dynamism, the increase will be Kcs48 billion. At the same time we must remember that throughout the quinquennium we have been striving to ensure an overall economic balance and a proportionate development of the national economy. The economic potential of our country has been further increased and reinforced.

The tasks of the Seventh 5-Year Plan in industrial and agricultural production, the output of the building industry, reduction of transport-intensiveness, and, above all, in effectiveness will be fulfilled or overfulfilled.

The overfulfillment of the planned creation of resources is being achieved by a gradual application of intensification factors, which is a positive feature. Savings in total costs of roughly Kcs40 billion are expected, due mainly to a reduction in the share of material costs. In the period of the Seventh 5-Year Plan, energy-intensiveness per unit of national income will decrease 1.7 percent on an annual average. Good results will also be achieved in reducing the consumption of ferrous and nonferrous metals and some other raw and industrial materials. The accelerated intensification and increased effectiveness and cost efficiency are reflected in a growth of profits and profitability and in the increase of adjusted added labor value by 25 percent.

On the basis of higher production and efficiency, next year we will achieve a gross national income amounting to Kcs560 billion in constant prices. Its growth rate will roughly amount to 11 percent and will be Kcs8 billion higher than was set by this year's task of the Seventh 5-Year Plan.

A higher growth rate of resources has made it possible to consistently implement the policy of gradually restoring the equilibrium in our external economic relations and of achieving the pivotal goal of the 16th congress concerning living standards.

The emphatic edge of exports over imports in the sphere of nonsocialist countries has enabled us to purposefully reduce our debt in freely convertible currencies. In keeping with the realization of this priority goal in economic policy in the Seventh 5-Year Plan, our overall assets toward the end of next year will cover all our loan commitments. This means that the net foreign currency debt, that is the foreign currency position of the state, will be balanced. The payment of medium-term loans from foreign banks will continue within the time frames agreed upon. We are thus consolidating our financial and loan independence from capitalist states. In the current international situation we consider this policy fully substantiated.

The more rapid growth of resources was also utilized to a considerable extent to improve living standards and to raise personal, and particularly social, consumption. During the period of the Seventh 5-Year Plan, the population's monetary incomes increased by Kcs62 billion.

This amount includes the growth in wages by Kcs31 billion.

Personal consumption will increase by 5.7 percent. The plan of the 16th congress will be considerably overfulfilled in social consumption, which will increase more than 25 percent in terms of money.

On the whole, the positive results achieved in the Seventh 5-Year Plan in the creation of resources, in intensification, in the increased efficiency of the economy, and in effectiveness strikingly prevail over the shortcomings and the negative consequences of certain long-term problems. We are justified in regarding the results achieved by us as a significant success of the Communist Party's economic policy and of the fruitful work of the majority of working people.

The process of improving the system of planned management in national economy, which started with the adoption of the System of Measures, has undoubtedly greatly contributed to the positive results of the national economy development in the Seventh 5-Year Plan. However, there are still reserves in the use of the Set of Measures under the specific conditions of individual branches, economic production units, and enterprises.

Not all executives are consistently implementing the principles of the Set of Measures in their practice and in their management activities. This is the case particularly because the implementation of the Set of Measures demands a change of the habitual methods of planning, management, and work with the people. This demands a change of atmosphere inside the enterprise, plant, or working place; a search for more efficient and rational methods of achieving the best possible results; the enforcement of relations of a highly exacting and critical attitude; and the establishment of prerequisites for the use of creative, capable workers and organizers. This is incomparably more difficult for every executive than a search for paths and ways to make use only of those demands of the Set of Measures that suit his enterprise or economic production unit. These shortcomings in the practical activity of executive cadres must be quickly eliminated. We must ensure the comprehensive realization of the Set of Measures, introduce its principles into the intra-enterprise economic accountability and bring them to every working collective and individual, so that the economic mechanism will contribute even more effectively to fulfilling the plans and tasks of the economic and social development in the last year of the Seventh 5-Year Plan.

To Improve Planning and Management Yet More Emphatically

Ladies and gentlemen, comrades, our on the whole successful realization of the basic strategy of economic and social policy adopted by the 16th congress of our Communist Party in the Seventh 5-Year Plan has established an exacting foundation for working out the new 5-Year plan within the framework of the long-term concept of national economy development up to the year 1995.

Together with the directive for elaborating the plan for the Eighth 5-Year Plan, this concept was appraised in the CPCZ Central Committee Presidium and the CSSR Government. It is based on emphatic and comprehensive intensification, with the use of all factors that are decisive for the qualitatively higher level of the expanded socialist reproduction of our national economy. It envisages that the inputs and effects of scientific-technical development in keeping with the conclusions of the eighth Central Committee session will show full effect. It presents the development on the basis of striking changes in production and consumption structures, and it presents that profile of our economy for which Czechoslovakia has suitable conditions, raw material prerequisites, and qualified manpower and which shows hopeful prospects for asserting our products on the world markets.

The draft plan for the years 1986-90 will reflect the results of the economic summit conference of CEMA countries and the conclusions of the 39th CEMA session, all of which orient our economy toward deepening the coordination of economic policies and national economy plans, and particularly toward a solid and consistent coordination of investments, purchases, and utilization of licenses; and also toward ensuring our technical independence from developed capitalist states. The international socialist division of labor will substantially expand, as will our linkage with the socialist economic integration, specialization, and cooperation; in addition, further effective forms will be utilized in economic cooperation with the CEMA countries.

The dynamic long-term economic cooperation and science and technology cooperation with the Soviet Union are of decisive significance for our long-term plans and deliberations. Both our own and the Soviet party and state leadership have come to an agreement on a deeper integrational interlinkage of our two economies, particularly through the expansion of specialization and cooperation in the sphere of engineering, electrical engineering, and chemistry, and through our participation in the modernization of the of the food and light industries. It was decided to provide this cooperation with a firm foundation, a purposeful orientation, and long-term prospects by working out the Long-Term Program of the Development of Economic and Scientific-Technical Cooperation With the USSR Up to the Year 2000. Work has already started on this significant document, which is to be signed in the year of the 40th anniversary of the victory over fascism and of the liberation of our fatherland by the Soviet Army. The comprehensive cooperation with the Soviet Union on a qualitatively higher level, including our investment participation in ensuring the vitally important fuel and raw material resources, is the guarantee of the further successful and stable economic and social development of our country.

The concept of the directive for elaborating the draft of the Eighth 5-Year Plan of economic and social development and of the long-term outlook [vyhled] up to 1995 sets the goal to ensure the further improvement of the people's material and cultural standards, to resolve problems in our living environments, and to improve them on the basis of the further growth created by the national income.

For this reason it is necessary for the economic production units, the ministries, all central authorities, and particularly the planning commissions and the commissions for developing scientific and technical research and investment, to concentrate all their attention and working efforts on elaborating a draft plan for the years 1986-90, that will fully respect the demands for the best possible, dynamic economic and social development in the second half of the eighties, and that will ensure for our country one of the first places among the developed states of Europe.

A qualitatively good elaboration of draft plans for the Eighth 5-Year Plan on all levels cannot be achieved by using the methods of the period of extensive development; we must have completely new approaches, we must have solutions with variants that will lead to the selection of the optimum one; we must make use of all creative forces and of all highly qualified staff. We must have collective and creative work in which the executive staff will be actively involved, side by side with research institutes, scientists, organizers of production, and prominent workers and technicians.

The economic production units and the ministries will submit their draft plans for the years 1986-90 during the course of the first half-year 1985. During that period, too, work should be completed in coordinating with the CEMA countries the plans for the next 5-year period. Work on the draft of the Eighth 5-Year Plan is organized so as to make it -- after it is assessed and discussed in the Central Committee Presidium and in the CSSR Government -- the material basis for preparing the Main Directions of Economic and Social Development for the Years 1986-90, one of the basic documents for the 17th party congress.

The shift of the economy to a comprehensively intensive type of development requires that we mobilize all the factors which ensure and accelerate this process.

In keeping with the preparation of a businesslike concept of the Eighth 5-Year Plan and of the long-term prospective plan, the Central Committee Presidium of the party and the CSSR Government have discussed and approved the Main Directions for Perfecting the Management System. This document represents yet another step in ensuring a more comprehensive enforcement of the criteria of efficiency in the process of creating and realizing plans and in the instruments of material stimulation, economic accountability, and remuneration. At the same time it takes note of the trends toward enhancing the quality, the long-term nature, and the flexibility of central planning, while simultaneously strengthening the extent of economic independence enjoyed by the enterprises and economic production units. The basic principles of the socialist management of the national economy are being intensified as are the unity of plan and economic accountability and the utilization of the instruments of direct and indirect management while, simultaneously, full respect is being accorded to the priority of social interests against the interests of enterprises and individuals. We envisage a fuller involvement of the working people in the planning process through a further perfection of counterplanning.

We expect the central planning bodies to embark on a more emphatic course of perfecting the system of planning and management, above all in the direction of long-term and 5-year planning. The creation of the state plan and the tools for its realization must correspond to the needs of the process of a comprehensive intensification of economy, to the criteria of efficiency in national economy, and to the criteria of our balanced and deepened participation in international socialist economic integration.

The adopted measures demand that we work them into appropriate regulations and instructions, even prior to embarking on the Eighth 5-Year Plan, that we thoroughly train the economic staff, and that we acquaint with the above measures both the membership base of our party and the bodies and organizations of the Revolutionary Trade Union Movement and of the other organizations of the National Front. The application of the principles of further improving the planned management must be manifested in the qualitatively good and progressive draft plans of the ministries and economic production units for the years 1986-90.

Tasks of Party Bodies and Organizations

Ladies and gentlemen, our entire party is now faced with the basic task of winning over every party member and all working people for realizing the plans of economic and social development next year. A significant role will be played by the members' meetings of basic party organizations at the beginning of next year. In order to enable the deliberations of members' meetings to fulfill their purpose, it will be necessary to immediately ensure their good preparation through close collaboration of party bodies and organizations and the economic management, and of the officials of the Revolutionary Trade Union Movement and the Socialist Youth Union. The members' meetings must set exacting and specific tasks for ensuring the goals of 1985, both for basic party organizations and for the economic management and the communists in social organizations. The party's regional and district committees must devote the necessary and lasting attention to their preparation and course.

Every communist should specifically influence the work of his own collective by his exemplary attitude. By his untiring activity, he should ensure the realization of party resolutions in everyday work. He should be a model of discipline and should resolutely fight against shortcomings.

From the leading economic staff in production -- but also in the preproduction phases, where the new technology, innovation, and high parameters of products are decided -- we demand not only the good management of the sectors entrusted to them and a perfect organization of work, but also active participation in the process of shaping the working people's socialist awareness.

The ensurance of economic tasks next year must be inevitably linked to the further improvement of cadre work, so that it will correspond to the specific conditions of enterprises, organizations, and cooperatives and so that it would ensure not only their present needs, but also their future needs. The political and professional training of leading cadres must be substantially improved. We need capable cadres who are devoted to the ideas of socialism, who have initiative energy, and a tireless attitude in the search for new roads in fulfilling the national tasks. Our significant reserve lies in the young cadres; their interest must be stimulated, their further political and professional growth must be comprehensively ensured, they must be entrusted with exacting tasks, they must be assisted, and the results of their work must be systematically evaluated.

The political-organizational work of basic organizations must be primarily oriented toward resolving the problems and overcoming the shortcomings in production; we must not tolerate the endeavors of certain leading staff to dilute the tasks for unjustified reasons. In order to increase the efficiency of party work, we must be more resolute in eliminating formalism and superfluous administrative work, and be more consistent in overcoming indolence, halfheartedness, and mediocrity. It is necessary to further deepen work with the people, to make full use of their experience, remarks, and suggestions, and to resolve problems directly in the collectives and with individuals.

The party organizations must devote systematic attention to applying the results of science and technology, to enhancing quality, to producing goods with high technical-economic parameters, and to innovations and export tasks, to better deliveries to the domestic market, to the ensurance of services, and to task fulfillment in capital construction and in the development of reserves.

It is extremely important to develop the activity of working people toward achieving savings in fuels and energy and in raw and other materials, so as to reduce production consumption even further and thus enhance the efficient creation of the national income. It is necessary to formulate further specific tasks in this direction for the individual working collectives, for Communists in the Revolutionary Trade Union Movement, the Scientific-Technical Society, and the Spotlight patrols; and, together with the utilization of the other forms of working initiative, it is necessary to establish prerequisites for accelerating the rate of decreasing the share of production consumption in the social product.

The party bodies and organizations can expect to be faced with exacting tasks in realizing the program of enhancing the economic effectiveness of the wages system. This program must support the intensification of material incentives which will lead toward strengthening the principle of merit and toward overcoming egalitarianism; it will provide measures against bad work; and it will emphatically appraise the outstanding results of working collectives and individuals.

It is necessary to search for and make use of new and more efficient forms in developing the working people's initiative on the basis of the appeal launched by the CPCZ Central Committee, the Central Committee of the CSSR National Front, and the CSSR Government on the 40th anniversary of the culmination of the Czechoslovak people's national liberation struggle and the liberation of our fatherland by the Soviet Army.

It is necessary to search for and use new and more efficient forms of directing this initiative and of establishing conditions for ensuring the planned tasks for next year, as well as of enhancing the working people's share in management. The enormous force which is concentrated in the socialist labor brigades, in the comprehensive rationalization brigades, and in the collectives which implement the brigade forms of work and remuneration, the force concentrated in the improvement, inventor, and innovationist movements, must be specifically directed toward fulfilling the goals of the last year of the Seventh 5-Year Plan.

The attention of Communists in national committees and in the bodies and organizations of the National Front must be concentrated on realizing the election programs. In order to fulfill them, it will be necessary to further develop all the well-proven forms of voluntary working initiative. This kind of activity deserves high appreciation, since it benefits the society, leads toward the satisfaction of the citizens' needs, embellishes the appearance of cities and communities, and enhances the feeling of belonging to socialism. The fulfillment of the election programs establishes a good foundation, from which we will be able to proceed in preparing the new election programs of the National Front for the next period.

The tasks of the state plan of economic and social development for the next year are most demanding and highly necessary. As Comrade Husak stressed in his statement at the 10th Central Committee session, "The society's needs, and the requirements placed on the improvement of the people's material and cultural standards, are constantly growing. We also must exert increased effort to keep in step with the rapid development of science and technology in the world."

This demands great and diligent work by us all. The successful mastering of these tasks is fully within our possibilities. We express the conviction that the 40th anniversary of the culmination of our people's national liberation struggle and of the liberation of our fatherland by the glorious Soviet Army will become the year of high working initiative, the year in which we will make further emphatic progress toward intensifying our national economy, in which we will ensure the fulfillment of the annual plan and also of the entire Seventh 5-Year Plan, and in which we will significantly contribute to fulfilling the resolutions of the 16th congress, to embarking on the preparations for the 17th congress, to ensuring the happy peaceful life of our people and the upsurge of our fatherland.

HONECKER BEGINS OFFICIAL VISIT TO ALGERIA 17 DEC

Makes Statement on Arrival

LD171359 East Berlin ADN International Service in German 1219 GMT 17 Dec 84

[Text] Algiers, 17 Dec (ADN) -- On his arrival in Algiers, Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, made the following statement:

Allow me, as I tread the soil of the firendly Democratic and Popular Republic of Algeria for the first time, to express my heartfelt thanks for the invitation and for the warm reception accorded to me and to my delegation.

I have begun my visit to Alegeria with joy and with great expectations. Of course, decades of traditional friendship and cooperation already link us. The 30th anniversary of the start of the Algerian people's armed struggle for freedom and independence, which was celebrated a few weeks ago in your country, reminds us of how much courage, resolve, and willingness for sacrifices your people summoned in order to take the fate of the country into their own hands. The solid foundations of our relations emerged from the unified solidarity of that difficult time.

Development in your country has always been followed in the GDR with great attentiveness, genuine concern, and high regard. The Algerian people have achieved much toward a better life. Your country plays a significant role in the struggle for a peaceful world and for overcoming injustice and the lack of equal rights in international relations.

My visit will offer an opportunity to get acquainted with the successes and the people of the Democratic and Popular Republic of Algeria. I am particularly looking forward to my talks with the esteemed president and secretary general of the National Liberation Front [FLN], Comrade Chadli Bendjedid.

Our talks will be concerned primarily with the further development of bilateral relations. In this we can build on good experiences and positive results, which are of benefit to both states. I am thinking, by way of only a few examples, of the joint construction of industrial enterprises in Algeria, trade, cultural relations, the meetings of sportsmen, or the contacts between the young people of our countries. Today, friendship between the GDR and Algeria receives strong stimulus in the daily cooperation between citizens of the two states in the solution of tasks in the framework of bilateral cooperation.

The meeting with President Chadli Bendjedid will also provide an opportunity for an exchange of views on the policies of both states and on the current world situation. We are extremely concerned about the further sharpening of the international situation. The most aggressive and reactionary circles of imperialism threaten peace and the social achievements of many peoples. In the most varied regions of the world, the flames of conflict are fanned and the peoples are obstructed in their development.

The GDR, like Algeria, proceeds from the position that today, more than ever, realism, reason, and good will are necessary in order to return international relations to normal channels.

Dialogue and cooperation for a secure peace, for disarmament and detente are the order of the day. For this reason we consider it to be so important that friendly states like the GDR and Algeria which have the same or similar interests, and whose political positions are very close or are in agreement should have a calming effect on the international situation by their voice and their example of peaceful relations which are truly on an equal basis.

Peace is the state doctrine of the GDR and the supreme principle of its foreign policy. Active and steadfast solidarity with all peoples who are struggling for their freedom and independence is very dear to the hearts of the people of our country.

Again I offer sincere thanks for the friendly reception to the Democratic and Popular Republic of Algeria. I thank you for your attention and would like to link my thanks with warmest greetings to the Algerian people.

Holds Talks With Bendjedid

LD172246 East Berlin ADN International Service in German 1855 GMT 17 Dec 84

[Text] Algiers, 17 Dec (ADN) -- Official talks took place on this afternoon in the Presidential Palace between Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council and Chadli Bendjedid, president of the Democratic and Popular Republic of Algeria and secretary general of the National Liberation Front. The talks are concentrating on questions of the further development of reciprocal relations and international problems.

Erich Honecker and Chadli Bendjedid noted with satisfaction that the traditional relations of friendship and cooperation between the GDR and Algeria are developing to their mutual benefit and that favorable conditions exist for their further development. This corresponds not only to the interests of both states and peoples, but simultaneously improves the international climate.

Both statesmen expressed their deep concern about the continuation of the dangerous tensions in different parts of the world. In spite of the extremely complicated global political situation, there are real opportunities to defend and preserve peace. It is important to do everything to ensure that reason, realism, and predictability gain the upper hand in international relations.

Erich Honecker praised the Nonaligned Movement as a weighty factor in the struggle against imperialism, colonialism, and neocolonialism, in the struggle against the forces of war and agression. He emphasized the important role that Algeria plays in this movement. The GDR supported the decisions of the Seventh Nonaligned Summit in New Delhi.

Dealing with the situation in Europe, Erich Honecker said that the deployment of U.S. nuclear first-strike weapons in West European states, particularly in the FRG, has further escalated international tension, introduced a new round of the arms race, and increased the danger of a world war. These missiles are not only a danger for the socialist states, but also for other regions, not least for North Africa. The realistic and constructive proposals of the socialist states, which have been reaffirmed only recently at the meeting of the Warsaw Pact Foreign Ministers Committee, indicate the way to stop this development. Both statesmen welcomed the agreement between the Soviet Union and the United States to start new negotiations on the overall complex of questions concerning nuclear and space weapons.

Erich Honecker briefed his host on the positive balance sheet which the GDR has been able to draw up in the 35th year of its existence, thanks to the creative initiatives and great achievements of the working people, in the domestic and foreign policy spheres. The recent meeting of the SED Central Committee reaffirmed that the GDR is purposefully continuing the policy of strengthening socialism and will do its utmost to safeguard peace.

Chadli Bendjedid informed his guest of the success of the Algerian people, who celebrated a few weeks ago the 30th anniversary of the beginning of the armed struggle for their freedom and independence. He explained important steps taken by his country to ensure economic independence following the consolidation of political independence. The Algerian president praised the achievements of the Algerian people in building a society which serves the well-being of people and peace. Touching on the situation on the African Continent, Chadli Bendjedid noted that the OAU is striving for concerted action by the African states in the struggle for peace, in defense of sovereign rights and against the imperialist policy of pressure and interference.

Both statesmen expressed concern at the situation in the Middle East, which is a protracted and dangerous source of conflict. It must be removed by means of a just and lasting solution: the complete withdrawal of Israel from all territories occupied since 1967 and the implementation of the legitimate rights of the Palestinian people. This is the only way to frustrate the imperialist plans.

The talks took place in a friendly and open atmosphere. Taking part on the GDR side were: Oskar Fischer, minister of foreign affairs; Guenter Sieber, chief of the International Relations Department of the SED Central Committee; Gerhard Beil, member of the Council of Ministers, state secretary, and first deputy minister of foreign trade; Frank Joachim Herrmann, state secretary and chief of the Chancery of the Chairman of the Council of State; and Manfred Theide, GDR ambassador to Algeria. Participants on the Algerian side were: Ahmed Taleb Ibrahimi, minister of foreign affairs; Prof Abdelak Rafik Berarhi minister of higher education and scientific research; Abderrazak Bouhara, member of the Permanent Secretariat of the FLN responsible for international affairs [title as received]; Mohamed Abdelkane, deputy minister for external trade; and Youcef Graiba, Algerian ambassador to the GDR [name and title as received].

Attends State Banquet

LD172303 East Berlin ADN International Service in German 1921 GMT 17 Dec 84

[Text] Algiers, 17 Dec (ADN) -- The first day of Erich Honecker's visit to Algeria ended with a reception which Chadli Bendjedid held in honor of his guest. Present at the friendly event together with the GDR and Algerian heads of state were Erich Honecker's entourage, members of the Algerian party and state leadership, and the heads of diplomatic missions accredited to Algeria.

Chadli Bendjedid cordially welcomed Erich Honecker when he arrived. Both then received the guests at the reception. In the course of the evening the statesmen held friendly talks with many of those present in the banqueting hall. Repeatedly the topic of conversation concerned the joint support by both states for securing peace, the solid connections which are rich in tradition between both parties and peoples, and the close cooperation in many areas of social life.

Algerian Coverage of Visit

For Algerian coverage of the visit to Algeria by Erich Honecker, SED general secretary and GDR State Council chairman, see the North Africa section of the 18 December Middle East & Africa DAILY REPORT and subsequent issues.

GORBACHEV-THATCHER TALKS IN LONDON REVIEWED

LD172352 East Berlin Voice of GDR Domestic Service in German 1605 GMT 17 Dec 84

[Text] Mikhail Gorbachev, member of the Politburo and secretary of the CPSU Central Committee, is at present in Britain for political talks. Yesterday he had a meeting with Gordon McLennan, secretary general of the Communist Party of Great Britain [CPGB]. During the talk there was an exchange of views on questions of maintaining peace, controlling the arms race and preventing a nuclear war. Representatives of the CPGB expressed their high regard for the Soviet peace initiative. Today Mikhail Gorbachev met with British Foreign Secretary Sir Geoffrey Howe for a working lunch at which the political talks begun at the weekend were continued between the representatives of the two countries. Knut Henssler now reports on this:

[Henssler] Here on the Thames great importance is attached to these talks between leading representatives of the Soviet Union and Britain. In government circles in Whitehall there was reference this morning to constructive and fruitful discussions, and British Prime Minister Mrs Thatcher stressed the relaxed and friendly atmosphere during the talk with Mikhail Gorbachev yesterday afternoon at Chequers, north of London. Nevertheless, there were and are serious and difficult problems that were discussed at length yesterday at Chequers and this afternoon here in London, that is, the international situation and the continuing arms race. There are quite different views existing in Moscow and London on the causes of these developments, but these views do not prevent the two sides from exchanging thoughts and opinions and, what is more important, seeking a way in which together they can overcome the dangerous situation that has arisen in the world.

During a press conference Mikhail Gorbachev said in this connection that in the present situation which contained a serious danger, all countries should do their utmost to achieve a solution of the problems facing the world by means of constructive negotiations, and this was the means which the Soviet Union supports.

During the talks here in London the two sides proclaimed their interest in paving the way for a fruitful dialogue between East and West. A spokesman for 10 Downing Street, the British prime minister's residence, said that there was full agreement that such a dialogue must be conducted at many levels in order to guarantee success for future disarmament negotiations.

London newspapers today cite Mikhail Gorbachev's statement to the effect that the Soviet Union is striving for radical disarmament agreements. The Soviet politician described the agreement between the Soviet Union and the United States to start new negotiations on the nonmilitarization of space and on the reduction of nuclear weapons as being very important. Mrs Thatcher also spoke during the discussion in favor of successful progress for these negotiations. In this connection observers here on the Thames point to recent statements by the British prime minister to the effect that her country wants by all means to prevent a militarization of space by the United States.

ECONOMIC PROTOCOL SIGNED WITH USSR MINISTER

AU171747 East Berlin NEUES DEUTSCHLAND in German 15-16 Dec 84 p 2

[Excerpts] Berlin (ADN) -- On 14 December in Berlin, Guenther Kleiber, member of the SED Central Committee Politburo, deputy chairman of the Council of Ministers, and minister of general engineering, agricultural machinery, and vehicle building, and Lev Vasilev, USSR minister of machine building for light and food industry and household appliances, deliberated on ways and trends for the further development and deepening of economic and scientific-technical cooperation.

Both sides noted in the friendly talks their satisfaction with the development of mutual relations and particularly valued the results of successful economic and scientific-technological cooperation for implementing the tasks resulting from the Soviet Union's foodstuffs program. Problems related to the coordination of the national economies of the GDR and the USSR for the 1986-90 period were discussed. In continuation of the deliberations, which took place in a cordial and friendly atmosphere, the interlocutors signed a protocol that stipulates measures for the further development of bilateral cooperation in the economic and scientific-technical fields.

STOPH RECEIVES SOVIET FISHING INDUSTRY MINISTER

AU101507 East Berlin NEUES DEUTSCHLAND in German 8-9 Dec 84 p 2

[Excerpts] Berlin (ADN) -- On 7 December Willi Stoph, GDR Council of Ministers chairman and member of the SED Central Committee Politburo, received Vladimir Kamentsev, USSR minister of the fishing industry. The sides paid tribute to the good results of the collaboration of the two parties and states that is marked by fraternal friendship. They expressed their conviction that the fulfillment of the recently agreed Long-Term Program of Cooperation in the Field of Science, Technology, and Production Until the Year 2000 would lead to a higher level of interlinking of the two countries' national economies. In this context, the recently signed agreement between the GDR and USSR Governments on the fishing industry sector constitutes an important step for the further development of socialist economic integration, they declared.

COOPERATION AGREEMENTS CONCLUDED WITH PRC

AU131046 East Berlin NEUES DEUTSCHLAND in German 12 Dec 84 p 1

[Text] Beijing (ADN) -- On Tuesday Rudi Georgi, GDR minister for machine tool and processing machinery building, and Zhou Jiannan, PRC minister for the machine-building industry, concluded their talks in Beijing. On the bais of the government agreement between the GDR and the PRC of 17 September 1984, both ministers signed a protocol on long-term scientific-technological and economic coooperation in the fields of machine tool and printing machine building.

On the same day Minister Georgi and Wu Wenying, PRC minister for textile industry, signed a program on the development of cooperation in the field of textile machine building through 1990. At the same time working plans for cooperation in production and technology for 1985 and 1986 were confirmed.

In a talk between Li Peng, vice premier of the PRC, and Minister Georgi both sides noted that the signed documents will contribute to further developing the cooperation in the coming years.

The consultations, in which GDR Ambassador Rolf Berthold also participated, took place in a friendly and open atmosphere.

COMMODITY EXCHANGE PROTOCOL WITH ROMANIA SIGNED

AU171711 East Berlin NEUES DEUTSCHLAND in German 15-16 Dec 84 p 2

[Text] Berlin (ADN) -- On 14 December a protocol on commodity exchange between the GDR and the SR of Romania for 1985 was signed by Dietrich Lemke, GDR deputy minister of foreign trade, and Constantin Stanciu, SR of Romania deputy minister of foreign trade and international economic cooperation.

It envisages the continuous further development of exports and imports, and thus agrees with the accords concluded by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Nicolae Ceausescu, general secretary of the RCP and president of the SR of Romania.

Mutual deliveries within the framework of specialization and cooperation agreements, particularly in the fields of machine tools construction, electrical engineering, electronics, and metallurgy will constitute a major share of the commodities exchange.

The GDR will export to the SR of Romania, among other things, machine tools and textile machinery, lifting and transport equipment, agricultural and construction machinery, computer technology, and passenger rail cars.

From Romania the GDR receives mainly equipment for the metallurgical industry and power plant construction, hydraulic loaders and tractors, machine tools, freight cars, drilling equipment, and Dacia automobiles. In addition, extensive mutual deliveries of chemical and metallurgical products are envisaged. The traditional GDR imports of foodstuffs and nonessential foodstuffs and beverages and of other consumer goods and light industry products will be continued.

The signing was attended by Dr Gerhard Weiss, deputy chairman of the GDR Council of Ministers, and by Gheorghe Caranfil, SR of Romania ambassador to the GDR.

GDR Foreign Trade Minister Horst Soelle received Constantin Stanciu for consultations on measures to implement the commodity exchange in the coming year.

TALKS WITH WEST BERLIN ON WATER MANAGEMENT

AU131110 East Berlin NEUES DEUTSCHLAND in German 12 Dec 84 p 2

[Text] Berlin (ADN) -- In Berlin on 11 December negotiations were resumed between representatives of the GDR Ministry of Environmental Protection and Water Management and the senator for city development and environmental protection of Berlin (West) on questions of mutual interest regarding water management. Continuation of the negotiations is planned.

LEADERS GREET ALIA, CARCANI ON NATIONAL DAY

AU141117 Tirana ZERI I POPULLIT in Albanian 1 Dec 84 p 3

[Message to Ramiz Alia, chairman of the Presidium of the People's Assembly, and Adil Carcani, chairman of the Council of Ministers, from Erich Honecker, chairman of the GDR Council of State, and Willi Stoph, chairman of the GDR Council of Ministers]

[Text] On the occasion of the national day of the People's Republic of Albania, the 40th anniversary of the country's liberation from fascism, and the victory of the people's revolution, in the name of the Council of State, the Council of Ministers, and the people of the GDR, we convey to you best greetings.

We wish the Albanian people many successes in constructing the socialist society and stress our hope that relations between the GDR and the People's Socialist Republic of Albania will develop to the benefit of both sides.

ARMY CHIEF OF STAFF, DEPUTY MINISTER APPOINTED

LD171816 Budapest Domestic Service in Hungarian 1730 GMT 17 Dec 84

[Text] The People's Army has a new chief of staff. He is Lieutenant General Jozsef Pacsek, deputy minister of defense. The Council of Ministers appointed Major General Istvan Narai deputy minister of defense.

TU OFFICIAL ON EMPLOYMENT, COMMODITY SUPPLIES

LD141937 Budapest Domestic Service in Hungarian 1300 GMT 14 Dec 84

[Text] Trade unions continue to see as a fundamental task the maintaining of full employment in Hungary. At the same time they expect that at certain places workers become superfluous, but that other enterprises could greatly use them. At the session of the National Council of Trade Union [SZOT], SZOT Secretary Laszlo Bukta mentioned that one of the preconditions for nationwide full employment is the ability of branches struggling with labor shortages to offer appropriate wages to those workers who become superfluous in the production branches. In any case the redeployments must be carried out by means of increased cooperation with trade unions. Concerning supply, Laszlo Bukta said that in general consumers are satisfied with supplies of goods but that they do not consider it natural that items such as building materials, certain medicines, or children's shoes should be in short supply. The public also finds it incomprehensible that there is a need to keep vegetable prices so high, or for eggs to cost so much at a time when significant stocks are stored. The SZOT secretary also said that the greater democracy of enterprise management makes it possible for initiatives by workers to be incorporated in enterprise plans in a more direct way from now on.

BISHOP ON PROGRESS IN STATE-CHURCH RELATIONS

LD172056 Budapest Domestic Service in Hungarian 1000 GMT 17 Dec 84

[Interviewed with Dr Jozsef Cserhati, bishop of Pecs and secretary of the Hungarian Bench of Catholics, by correspondent Istvan Kollar; date and place not given -- recorded]

[Excerpt] [Kollar] Your Eminence, 1984 was a jubilee year. Twenty years ago representatives of the Hungarian Government and the Vatican signed the partial agreement which has continued to serve as a loose framework for the activities of the Catholic Church in Hungary. How do you view the significance, current relevance, and importance of this agreement?

[Cserhati] The essential thing is that the state and the church came closer; after all, the Hungarian socialist state organized a new form, a new order based on Marxist ideology following World War II. The Catholic Church had become rigid in its traditions and was very far away from this concept; this is why rapprochement was difficult. Slowly the partners realized that they could not coexist in this way; that religious masses could not confront nonreligious masses permanently; that cooperation had to be organized; and that coexistence should in the future become existence for each side. Believers and nonbelievers, i.e. religious people and atheists dare to hold hands. We are certain that they can work together for the benefit of the community and the society of the future, from which a new type of man must evolve. This type of man will be someone living for others and not for himself. I believe that this agreement has taken us there in very short steps, so in the final analysis the agreement between church and state was fruitful and beneficial.

CORRECTION: LAKATOS HOLDS TALKS ON MEDIA ISSUES

Due to a technical problem the following items on page F 3 of the 17 December Eastern Europe DAILY REPORT did not print:

PZPR Delegation Visits 9-13 Dec

LD141123 Budapest MTI in English 1024 GMT 14 Dec 84

[Text] Budapest, December 13 (MTI) -- A party workers' delegation of the Polish United Workers' Party, led by Bogdan Jachacz, head of the CC's Press, Radio and Television Department, visited Hungary from December 9-13 at the invitation of the HSWP Central Committee. The delegation held talks with Erno Lakatos, head of the HSWP CC's Agitation and Propaganda Department, and studied the work of the Hungarian media.

Miklos Ovari, member of the HSWP Political Committee and secretary of the CC, received the delegation.

CSSR Officials Visit 10-13 Dec

LD141222 Budapest MTI in English 1022 GMT 14 Dec 84

[Text] Budapest, December 13 (MTI) -- Vasil Bejda and Otto Cmolik, heads of departments of the Central Committee of the Communist Party of Czechoslovakia, visited Hungary on December 10-13 at the invitation of the HSWP Central Committee. They held talks with Erno Lakatos, head of the HSWP CC's Agitation and Propaganda Department, and studied current issues of ideological work and activity of mass media.

Miklos Ovari, member of the Political Committee and secretary of the CC, received the Czechoslovak party officials.

GWIAZDA, OTHERS SENTENCED FOR GDANSK DISTURBANCES

LD172237 Warsaw Domestic Service in Polish 2200 GMT 17 Dec 84

[Text] The misdemeanor court attached to the Gdansk mayor's office examined cases against persons who participated yesterday in riotous assembly; were motivated by hooligan reasons; disturbed peace and order; and stoned, among others, functionaries of the forces of law and order and passing cars. They refused to disperse despite numerous orders by the Citizens' Militia. The following were sentenced to 3 months detention: Maciej Naskrecki, (Waclaw Kulka), and Andrzej Gwiazda.

U.S. WITHDRAWS OPPOSITION TO IMF REINSTATEMENT

LD181108 Warsaw Domestic Service in Polish 0600 GMT 18 Dec 84

[Text] Alan Romberg, American State Department spokesman, has said that the United States Government has withdrawn its opposition concerning Poland's reinstatement in the IMF.

PAP VIEWS 'STRENGTHENING' INTERNATIONAL POSITION

LD171248 Warsaw PAP in English 0712 GMT 17 Dec 84

[By PAP editor]

[Text] Warsaw, Dec. 16 -- The process of strengthening Poland's position on the international arena is deepening, with literally, each day bringing fresh facts to confirm this. Still this week Warsaw will play host to Italian Foreign Minister Giulio Andreotti, whose visit has been already officially announced. Poland hosted Executive Secretary of the U.N. Economic Commission for Europe Klaus A. Sahlgren. Polish-Spanish political consultations were held and an agreement was signed on economic cooperation between Poland and Spain.

West German Foreign Minister Hans-Dietrich Genscher and his spokesmen spoke and still continue to speak, in an extremely clear manner, about the readiness for dialogue with Poland, which, set against the background of his postponed visit to this country, assumes the significance of a specific political declaration of goodwill, as well as -- and we seem to have the right to such an interpretation -- of improving the bad impression produced by the putting off of the visit to Warsaw. If we supplement this with an entire wave of more sober opinions and assessments of the situation in Poland which still goes round the world as an aftermath of a meeting between foreign journalists and Gen. Jaruzelski after the "Jablonna Five" meeting, an image will emerge of an ever more new quality of Poland's position in the international community and that of the attitude towards Poland taken by those who, still yesterday, behaved in a way which if not unfriendly was full of reservation at any rate.

Next to all this, extremely important facts are taking place in the domain of Poland's contacts with its friends where cooperation and joined action based on the ideological community are systematically raised by Poland to ever higher planes, as was most recently evidenced by the working visit to Prague paid by Gen. Jaruzelski and his talks with Gustav Husak held there as well as the visit to Poland by the big and highly representative delegation of Soviet scientists, crowned with the signing of documents which open up new impressive horizons of mutual fruitful cooperation for long years. This is a totally new quality in this field, a thing which has no precedence.

So, we observe fast progress in both the reconstruction of our position -- where attempts were being made to undermine it by organizing U.S. Administration-inspired moves meant to isolate Poland and stage the sanctions policy against it -- and the strengthening of the place, prestige, and say we have had among other members of the community of nations.

The massive anti-Polish propaganda has turned out futile. Our reasons become prevailing. Common sense appears in those who until yesterday were misled by the illusion that the crisis-ridden Poland, the internally divided Poland, the Poland scolded by the United States, may be ignored or treated from the power position.

The Polish state -- which is efficiently tackling its immensity of economic and social problems, the Polish state, that consistently keeps materializing the guidelines of the PUWP 9th Congress, its line of agreement with all who wish to serve their socialist motherland, the line of struggle against the opponents of the motherland, the line of perfecting the socialist democracy, the line of sweeping reforms -- this state is seen by the world as a partner with whom cooperation deserves to be sought.

But Poland's internal normalization, which manifests itself in, to say the least, a fading social response to the system's opponents' attempts, is dwarfing the arguments even of those being most tardy in revising -- as dictated by life itself and by our reality -- their attitudes, which had previously been unfriendly to the socialist Poland.

For the fact is that the reality has ruined all calculations of our adversaries. It has confirmed our and our friends' reasons. And this is what dertmines now and will continue to determine our international position in future.

DEPUTY PREMIER RAKOWSKI ON POPIELUSKO CASE

DW180659 Hamburg DER SPIEGEL in German 17 Dec 84 pp 120-122

[Interview with Polish Deputy Premier Mieczyslaw Rakowski by DER SPIEGEL Editor Dieter Wild; date and place not given]

[Text] SPIEGEL: Mr Rakowski, in July the state granted amnesty to political prisoners, in October state officials murdered Father Popieluszko. Is this not traumatic for you?

Rakowski: No, it is no trauma, although the fact is very painful. I am aware of its moral as well as political aspects. At the same time I know that even such a drastic event cannot weaken our will to stabilize social and economic relations.

The blow against the team I belong to was very severe, but I am convinced that we will overcome this blow. Moreover, I am convinced that many Poles will support us in doing this.

Regarding your comparison, I see no connection betweeen state policy and the murderers of Father Popieluszko.

SPIEGEL: At the grave of Popieluszko, Lech Walesa said: "'Solidarity' Lives." Dozens of posters with the "Solidarity" symbol are hanging on the fence around Popieluszko's church. Is the "Solidarity" matter not yet over?

Rakowski: I do not believe so. There are several reasons that cause people to visit Popieluszko's grave. Many of them would certainly be surprised to learn that this understandable human gesture is considered a symbol of national religious resistance against the government. There are also probably some people who view their presence at the grave in this way.

I may be wrong, but I believe that emotions will calm down and that life, with its rights, will reduce this event to its proper size.

SPIEGEL: Could the dead priest not become a figure of worship for the government's enemies?

Rakowski: It is important not to permit the murdered priest's grave to become the subject of political manipulation. I am against so much ado being made about this tragedy, as though it were a parish fair.

SPIEGEL: Never before has violence by security organs been publicly criticized and prosecuted by the government of a socialist state. How large is the current number of officials and officers being reprimanded because of Popieluszko's murder?

Rakowski: That is not correct. Even before his 27 October 1984 television statement, Internal Affairs Minister General of Arms Kiszczak announced the number of security service and militia functionaries who were being dismissed from the apparatus or punished because of suspicion of having violated the legal order. At present, three former officials of the Ministry of Internal Affairs are under suspicion of murder, and their superior has been arrested under the charge of instigation. The direct superior of all of them, a deputy department chief in the Internal Affairs Ministry, has been suspended.

SPIEGEL: The government's publicly announced shock impressed the nation for a while. Thereafter, however, the government was hesitant in announcing all details quickly. Why did you not disclose everything you knew more quickly?

Rakowski: The investigation is governed by certain rules. Do you really believe that the public should be told all details during an investigation? In what country is that the case? The government is not exerting influence to either speed up or slow down the investigation.

SPIEGEL: The Polish nation in alliance with General Jaruzelski against the militia -- is such a scenario conceivable?

Rakowski: A surprising question. Why should such an alliance come about at all? The fact that three officers of the security service have committed a crime cannot result in the stigmatization of thousands of militia members who carry out their important duties in the interests of society. By the way, I would advise some Western commentators to show at least a bit of common sense in discussing the political situation in Poland.

SPIEGEL: According to your current understanding, was the deed the result of excesses by blindly furious medium-level officials in the security apparatus, or are there "ringleaders?"

Rakowski: So far the investigation has produced no evidence of "ringleaders." If they are found, the public will certainly be informed. However, it may be that none will be found. This would probably not be the first time in history, don't you think? For example, it is still not known what happened in 1926 to General Zagorski, the adversary of Marshal Pilsudski. It is only known that he disappeared under mysterious circumstances. Also, is it known who really was behind Oswald, Kennedy's assassin?

SPIEGEL: Did whoever instigated this action want to strike a blow against Gen Jaruzelski's policy of reconciliation?

Rakowski: That is the political background of this shameful action.

SPIEGEL: To provoke a confrontation with the people and thus force Gen Jaruzelski to take stricter action or to admit his helplessness -- could this have been the aim of the culprits?

Rakowski: Maybe both of these aims were intended. Various conclusions are possible. It can be hardly expected for such an event to be assessed and commented on unanimously and unambiguously.

SPIEGEL: Jaruzelski promised an open investigation of the Popieluszko case. Do you not fear that the closed wall of the security apparatus could prevent this?

Rakowski: No, I have no fear of that. The Polish Government and Internal Affairs Minister Gen of Arms Kiszczak are most interested in clarifying all the circumstances. That ought to be clear to anyone who views Polish reality soberly. I want to add that Gen Jaruzelski and Gen of Arms Kiszczak think and act in a similar way in all matters of Polish domestic and foreign policy.

SPIEGEL: In the meantime, more information is coming in about further acts of brutality against priests and dissidents. Is it true that in the past 3 years, nineteen "Solidarity" followers have been killed by unknown persons?

Rakowski: I reject such "information." It was invented only for the purpose of waging a political struggle against the government. We react calmly to such slander. In Poland, just as in other countries, someone is murdered almost every day. Is the fact that a murder victim was a "Solidarity" member enough to state that a political murder was involved? Some Western journalists see the existence of death squads and similar things in Poland, and they do this from a great distance, such as Geneva or Paris. We will not allow ourselves to be bothered by that.

SPIEGEL: The two officials investigating the Popieluszko murder are now also dead. Have you been able to rule out the possibility that the car accident near Radom was no coincidence?

Rakowski: All the data available to us today indicate that it was purely accidental. If somebody has a vivid imagination, he can naturally think up quite complicated versions of that accident. I personally have never had any talent as an author of detective stories.

SPIEGEL: Even if the car accident was a coincidence, how can you keep the Poles from believing in a new plot?

Rakowski: I do not believe you must think of special methods in this respect. I believe in the common sense of my compatriots. However, if somebody wants to ignore the facts, that is his private business. By the way, you consider "the Poles" to be a national community. I would advise caution in generalizing the Poles' opinions and stances, also in connection with the questions we have just discussed.

SPIEGEL: The Politburo entrusted Gen Jaruzelski with the direct supervision of the security organs. However, Central Committee Secretary Milewski, who had been responsible for this before, was not relieved of his duties. Is Milewski still responsible for this area?

Rakowski: If Gen Jaruzelski has taken over supervision, it is natural that the former distribution of responsibilities has been changed.

SPIEGEL: At Popieluszko's funeral, Cardinal Glemp said: "Maybe this sacrifice was necessary to uncover the hidden mechanism of evil." Do you see such mechanisms of evil?

Rakowski: You can interpret that sentence to contain criticism of the security apparatus or maybe of the government in general, but you can also consider it to be a remark of a philosophical or moral nature. I do not see any "mechanisms of evil" in our state structures. People are working there as everywhere, with all the advantages and disadvantages. We are trying to strengthen the forms of control, including the citizens' control of the state apparatus.

SPIEGEL: At present the government permits a broad range of differing opinions, but it does not allow the opposition to become organized. This situation reminds many people of the political climate during Gierek's time....

Rakowski: I would not think of that comparison. Another time, another situation. We still have a very vivid memory of 1981 when the opposition wanted to throw the country into the abyss. Since we are guided by our country's most vital interests, we do not permit the oppositional forces to reorganize.

SPIEGEL: Are they doing it?

Rakowski: I think it is necessary to emphasize a characteristic feature of this opposition. The opposition in your country does not want to destroy anything; it accepts the FRG Constitution and wants at most to improve the existing system. However, in Poland the opposition continues to act against the system.

SPIEGEL: The government has declared the newly established "committees for preserving human rights" illegal. Will the prisons in Poland now be filled again?

Rakowski: These committees are nothing but an attempt to reorganize an opposition. The founders believe they have found a proper label. Everyone who violates the criminal code should go to jail. That is not a violation of the legal order -- don't you agree?

It is clear that some of our opponents would like to go to jail themselves. That is considerably simpler than remaining free and opposing the regime by simply saying "no."

The oppositional elements in Poland are not in a position to submit an alternative program to the one we have announced and implemented. The wiser of them know this very well. We will do everything not to give candidates for martyrdom the opportunity to become martyrs.

Millions of Poles are now occupied by their day-to-day problems and are trying to shape their lives in a better way. They are participating more or less actively in moving Poland back to its proper place in the socialist community, in Europe, and in the world. That is also remarkable.

SPIEGEL: However, many Poles are irritated by the fact that the authorities have recently taken action again against crucifixes in schools. Is this overzealousness on the part of local authorities, or is it government policy?

Rakowski: I do not know how many Poles are worried about a local conflict at a provincial school; I have not conducted an opinion poll on the issue. The policy of the government is clear. According to the division between state and church, state public schools should remain nonreligious, and this rules out hanging up crucifixes. The church does not contest the nonreligious character of the schools. However, the church apparently interprets this character differently. That is the background of the conflict. I see here no connection with relations between the state and church. They are of much greater historical dimensions.

SOLIDARITY LEADER LIS ON FUTURE ACTIVITIES

DW181009 Mainz ZDF Television Network in German 2045 GMT 17 Dec 84

[Interview with Polish Solidarity leader Bogdan Lis by correspondent Guenter Schubert; date and place not give; in Polish with superimposed German translation; from the "Heute Journal" program -- recorded]

[Text] [Schubert] A few days ago you said that you would continue your underground activities for Solidarity. What do you think about this now?

[Lis] It has been just 7 days since I was released from prison, and I do not yet have a complete picture of the situation. I still have to think and make up my mind about what I will be doing over the next few days and weeks. I will get together with my friends who operate legitimately as well as with those who have contacts with the underground.

[Schubert] How do you assess Solidarity's chances in the future?

[Lis] I think that by 31 December, or in early January, we will know whether the government will embark on a course of confrontation, that is, whether it will try to purge all those elements struggling for an independent awareness of society and trying to steer society into opposition to the declared principles of the government. It is generally known that the amnesty expires on 31 December, and unless by then the government comes up with a concrete proposal for eliminating the causes of the conflicts, the people will not surface from the underground. There will be more arrests, and prisons will fill up again; then there will be an entirely different basis for action.

[Schubert] Where will you personally be going from here?

[Lis] To begin with, I intend to rest and recuperate, because I developed a duodenal ulcer in Rackowiecka prison. Once I have taken care of all the formalities -- I must obtain a new identity document because I carried falsified papers in the underground -- I intend to return to work, although I do not know whether my company will take me on again.

LE MONDE REVIEWS ACTIVITY OF CLANDESTINE PRESS

PM171301 Paris LE MONDE in French 12 Dec 84 p 5

[Vincent Wolski article: "The Flourishing of the Clandestine Press in Poland"]

[Text] The 500 or so clandestine newspapers in various formats and with various circulations (from 1,500 to 40,000 copies) which are published each week in Poland can no longer be regarded, 3 years after the 13 December 1981 coup, as "an incident on the difficult road to normalization." They are a social phenomenon and a major element in the Polish political situation.

They are a social phenomenon because to write, print, distribute, and read hundreds of thousands of newspapers takes hundreds of duplicators, dozens of metric tons of paper and ink, distribution networks, and the firm intention of "pursuing antisocialist activities."

The clandestine press has a good typographical foundation, from the unsophisticated duplicator hidden in an attic to the high-production printing press operating day and night. Although duplicators fall into the hands of the police fairly frequently, big printing presses paradoxically seem better protected, although one of them has just been discovered by the police.

Part of the equipment legally owned by Solidarity was "saved" on the night of 13 December 1981, and another part had previously been hidden as a precaution. Subsequently, during martial law, many things were brought to Poland, often by "miraculous" methods, but not without some losses and arrests.

Who are the authors and printers? As far as small pamphlets are concerned, they are often the same people. The big regional newspapers use professionals, the big purges in the media in 1982 making recruitment easier. Many articles are signed with pseudonyms, and in Warsaw people try to guess the author.

Sales are carried out in two stages and are the weakest link in the chain. First the seller, who runs the risk of 3 years imprisonment, gives the copies to the "clients." To avoid doubling the risks, he collects trade union subscriptions at the same time (which also carries the risk of 3 years imprisonment). He never refuses a generous donation to boost the newspaper's funds, and the newspaper thanks the donor in its next edition. The donor wisely chooses a whimsical name, and the newspaper appreciates his humor and publishes prominently: "The Jaruzelski family -- thank you for the sum of Z20,000."

In the second stage, the reader obeys the newspaper's appeal: "Do not throw this away, pass it on"; and the copy is distributed among friends and acquaintances. The number of secondhand readers escapes all the statistics and depends primarily on how long the paper lasts.

The number of newspapers varies according to region. In the Solidarity strongholds of Warsaw, Gdansk, and Wroclaw, there are several dozen; in the industrial centers of Lodz, Krakow, and Poznan, between 5 and 10; but in other regions 1 newspaper serves several cities.

The most famous newspapers are SOLIDARNOSC in Gdansk, TYGODNIK MAZOWSZE (a Mazowsze region weekly) in Warsaw, and Z DNIA NA DZIEN (FROM DAY TO DAY) in Wroclaw. All three have been in print since 17 December 1981 and are in fact organs of the Solidarity Provisional Coordinating Commission [TKK]. The three weeklies provide four pages of densely written text over two or three columns (corresponding in volume to two pages of LE MONDE). They can print photographs and drawings, but all too often there is not room.

The Foreman's Petty Corruption

In 3 years these three newspapers have given their readers regular rubrics: a "chronical of repression" which gives names and incidents without comment in stop-press form; readers' letters, in which the strongest criticism of TKK decisions is allowed; a series of reports "from our region's big factories"; a review of the official press; and, of course, many pieces taken from other clandestine newspapers. The front page is reserved for articles by Lech Walesa, statements by clandestine leaders, and opposition documents.

These three large newspapers each print around 40,000 copies and are distributed free in their cities and sold for Z15 (three times as much as the party daily) in other regions.

In the three cities of Warsaw, Gdansk, and Wroclaw, these newspapers have serious rivals. The most well-known is the Wroclaw newspaper SOLIDARNOSC WALCZACA (FIGHTING SOLIDARITY), famous for its Russian edition -- exported it seems -- and its polemics with the trade union's clandestine leadership, which the newspaper accuses of avoiding street demonstrations. In Warsaw a more radical reader will prefer to TYGODNIK MASOWSZE a newspaper which has just produced its 100th issue -- TYGODNIK WOJENNY [MARTIAL LAW WEEKLY]. The radical in Gdansk will choose to "subscribe" to NASZ CZAS [OUR TIMES]. However, in most cases the reader makes do with the newspaper available in his circle.

In other centers in Poland, the titles and circulations depend on the size of the clandestine structures; for instance, Krakow and Nowa Huta, its working-class suburb, have a young but very varied press: KRONIKA MALOPOLSKA (CHRONICLE OF LITTLE POLAND), ZOMORZADNOSZ (ZOMO-GOVERNMENT; a ZOMO [Citizens' Militia Motorized Reserve] is a special unit of the Polish police), and also (NEWS). The regional titles best known in the rest of the country are TIS (SOLIDARITY INFORMATION WEEKLY) in Torun, which was the first to publish details of the murder of Father Jerzy Popieluszko, abducted a few kilometers from Torun; FENIKS [THE PHOENIX] in Gorzow Wielkopolski, which the police have "dismantled once and for all" four times; and the (VOICE OF SILESIA), six of whose printers are presently on trial in Katowice.

But the regional press only accounts for one-tenth of the titles (although with one-third of the circulation). It is in the enterprises that the phenomenon of the "free" press is the most spectacular. These newspapers, often produced by unsophisticated means, written and printed by amateurs -- except a few giants like the Gdansk shipyards STOCZNIOWIEC [THE SHIP BUILDER], the Nowa Huta Lenin combine HUTNIK]THE METTALLURGICAL WOR WORKER], and the Warsaw steel-works Glos WOLNEGO HUTNIKA [VOICE OF THE RURAL METAL WORKER] WORKER], are aimed at a reader who is often disoriented and affected less by high-level politics than by the foremen's petty corruption.

Real Press Agencies

For instance, the little newspaper RADIOWIEC [THE RADIO MAN], printed in the Kasprzak electronic equipment factory in Warsaw (6,000 employees), will make the following its front-page story: "The Chairman of the New Trade Union Has Stolen the Subscriptions." Another page will announce the arrival in the factory of two secret policy officials, "installed on the third floor, management corridor, room 312."

These newspapers -- which are exposed constantly to the risk of arrests, are often completely unknown outside their factory, and come and go without any apparent reason -- have great care lavished on them by the clandestine structures; but in many cases decentralization, one of the principles of the democratic opposition in Poland, makes this aid very limited, if not nonexistent.

Nonetheless, real press agencies operate to quickly provide the "factory press" with important news and documents: the TKK communiques, Mr Walesa's statements, or appeals for calm.... Internal bulletins are sent to it at a rate which varies according to the situation: "Solidarity News" in Warsaw, ("Current News" in Wroclaw, and "The Bulletin" in Krakow.

However, this system is still frequently inefficient. Deprived of a powerful national center, news circulates fairly quickly within a region, but a "factory newspaper" in Warsaw will take 2 weeks to announce a strike in a Wroclaw factory. "We are still in the age of pigeon post...."

In addition to the trade union press in the regions and enterprises, there are three other types of "free" press, the most well-known being that of the "independent committees." The biggest is KOS (Social Resistance Committee), a national structure created immediately after the imposition of martial law whose aim is "self-education for passive resistance." The newspapers which have taken the same name (KOS means "blackbird") are printed in Warsaw and Krakow, group together rather radical, left-wing intellectuals, and sign their articles with pseudonyms, the most famous being "Anna the Crow" and "David of Warsaw."

CDN (TO BE CONTINUED) and WOLA (the name of a working-class district of Warsaw) are two publications in the capital edited by interenterprise structures with the same names, whose presentation and contend to not differ much from the regional "big newspapers." Finally, PRAWORZADNOSC (LEGALITY) and HOMO HOMINI [MAN FOR MAN] are the organs of the Helsinki committee and the Committee for the Defense of Political Prisoners respectively.

There is also a professional press. Teachers, doctors, actors, and students publish a few copies (1,500 to 3,000) of their own newspapers, and some large secondary schools are following suit. Only the primary schools seem to be spared for the time being.... One of the strangest examples of this professional press is the work of policemen: Their newspaper is called DIGNITY but recent events in Poland would tend to prove that its circulation is very inadequate.

Finally, there is a "specialized" press -- literary, sociocultural, and satirical. The two big titles are APPEAL (a bound 300-page monthly which publishes short stories, poems, censored film scripts, and literary criticism), and KRYTYKA (CRITICISM), a high-level sociopolitical monthly in which are found political and economic analyses signed by Adam Michnik, among others. These two newspapers are close to former Social Self-Defense Committee circles. Mention should also be made of satirical newspapers such as (PEGASUS), which publishes drawings, funny stories, or imaginary interviews....

Despite their extraordinary growth, these hundreds of clandestine newspapers which appear in Poland each week will not overthrow General Jaruzelski's regime. But they will continue to appear as long as there are people in this country who are not free to write what they want and others who do not want to read what people are at liberty to write.

JARUZELSKI ATTENDS LIAISON COMMISSION MEETING

LD172332 Warsaw Television Service in Polish 1830 GMT 17 Dec 84

[Text] A meeting of the central liaison commission of the PZPR, ZSL, and SD has been held. It was attended by representatives of the PZPR with Wojciech Jaruzelski, the ZSL with Roman Malinowski, and the SD with Edward Kowalcyzk.

The meeting was also attended by Henryk Jablonski, chairman of the Council of State. The commission was acquainted with the report of the minister of foreign affairs on current issues of the international situation and the tasks of Polish foreign policy.

CORRECTION: SOCIOPOLITICAL SITUATION, PRICES

Due to a technical problem the sourceline and first two paragraphs of the item entitled "Council on Sociopolitical Situation, Food Prices" on page G 3 of the 17 December Eastern Europe DAILY REPORT did not print. They are as follows:

LD141854 Warsaw Domestic Service in Polish 1800 GMT 14 Dec 84

[Text] The Council of Ministers has assessed the country's sociopolitical situation, and on this basis has defined the conclusions and prognoses for the future. Among the factors influencing society's moods and views, a fundamental role is played by the material conditions of life and the consistent implementation of the principles of socialist renewal. It was stated that in the past several weeks there have been no serious violations of law and order, and that in particular the appeals by antisocialist structures for hostile manifestations on 13 December fell on deaf ears. Cases of excessive, unjustified enrichment, social injustice, and lack of response to unjust treatment of people are meeting with firm public opposition.

The Council of Ministers stressed the usefulness of the policy of broad dialogue with society, which is being pursued on all issues in national life. It was emphasized that the gradual restoration of trust and enhanced activeness by society is a positive sign of further normalization. Measures in this direction will be continued and consolidated consistently.

TODOR ZHIVKOV ARRIVES ON VISIT 18 DECEMBER

AU180906 [Editorial Report] Bucharest Domestic Service in Romanian at 0837 GMT on 18 December carries a live relay from Otopeni Airport of the arrival in Romania of Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council of the People's Republic of Bulgaria, on an official visit of friendship.

According to the announcer the guest is warmly welcomed by Nicolae Ceausescu, Manea Manescu, Gheorghe Oprea, Stefan Andrei, and other Romanian officials.

The announcer adds that on this visit Todor Zhivkov is accompanied by Grisha Filipov, chairman of the Council of Ministers; Petur Mladenov, foreign minister; Andrey Lukanov, deputy chairman of the Council of Ministers; and by other officials.

According to the announcer, members and candidate members of the Political Executive Committee, members of the State Council, government, and central institutions are also present at the airport, as well as Bucharest residents.

The national anthems of the two countries are played. The two heads of state are reported to review the honor guard, and to watch it march past while the announcer stresses the importance of summit talks between Comrades Ceausescu and Zhivkov.

The live relay ends at 0850 GMT; no speeches were exchanged.

CEAUSESCU RECEIVES DPRK FOREIGN MINISTER

AU171955 Bucharest AGERPRES in English 1930 GMT 17 Dec 84

[Excerpts] Bucharest AGERPRES 17/12/1984 -- Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of Romania, received, on December 17, Kim Yong-nam, vice-premier of the Administration Council, foreign minister of the Democratic People's Republic of Korea, now visiting Romania. During the interview, which passed in a warm, comradely atmosphere, evoked were the talks conducted when Kim Il-song paid an official visit of friendship to Romania and the accords reached meant to ensure the further development of the relations of friendship, cooperation and solidarity between the Romanian Communist Party and the Workers' Party of Korea, between Romania and Democratic Korea. The resolve was expressed to take advantage of all extant possibilities to more powerfully develop the relations of cooperation in the political, economic, technico-scientific and cultural domains, and it was stressed that this was in the interests of the two parties, countries and peoples, of the general cause of peace and socialism. Stefan Andrei, Romanian foreign minister, attended the interview.

BUDAPEST REPORTS POWER CUTS IN BUCHAREST

LD1800010 Budapest Domestic Service in Hungarian 2100 GMT 17 Dec 84

[Text] Power cuts have been imposed in several parts of the Romanian capital. According to a report in a Bucharest newspaper, the electricity cuts are being made on a staggered basis in five districts. The power cuts, which affect both domestic and public consumers, last at least 2 hours. The newspaper also warns the inhabitants of Bucharest against using elevators during the minutes leading up to the scheduled electricity cuts, otherwise there is a danger that they will not be able to get out of them while the power is switched off.

LCY CENTRAL COMMITTEE PLENARY SESSION PREVIEWED

LD180014 Zagreb Domestic Service in Serbo-Croatian 2100 GMT 17 Dec 84

[Text] The 15th LCY Central Committee Plenum will be held in Belgrade tomorrow. During the first, formal, part of the session the Central Committee will mark the 50th anniversary of the Fourth National Conference of the Yugoslav Communist Party. The report on this will be submitted by Ali Sukrija, president of the LCY Central Committee Presidium.

Tomorrow's session is important because the Central Committee will pass a decision on the beginning of preparations for the 13th LCY Congress. The Central Committee is expected to set up a committee for the preparation of the congress and will agree on the preparation of the platform and other work concerning the preparation of the biggest gathering of Yugoslav Communists. The report on this will be submitted by Dimce Belovski, secretary of the LCY Central Committee Presidium.

LCY CENTRAL COMMITTEE PRESIDIUM SESSION HELD

LD180456 Belgrade TANJUG Domestic Service in Serbo-Croatian 1945 GMT 17 Dec 84

[Text] Belgrade, 17 Dec (TANJUG) -- Today, at a session chaired by Ali Sukrija, the LCY Central Committee Presidium carried out consultations on material concerning the "realization of common interests through more direct cooperation and accord-seeking between the republics, the autonomous provinces, municipalities, and other sociopolitical communities," which had been prepared for the session of the Federal Social Council for Questions on the Social System. It was stressed that such a form of cooperation enriched and made a contribution to realizing common interests in the federation. It was stressed that the realization of common interests had so far been dominated by the practice of realizing them through federal organs, while other forms, particularly self-managing agreement-seeking and the pooling of associated labor's resources, had remained less highly developed. Use had not been made of all the possibilities -- wealth of contents and diversity of the forms -- and methods demanded by the affirmation of the constitutional concept of the realization of common interests.

It was stressed that through its activity the LCY should contribute to further developing and enriching all forms of direct cooperation. This should make possible a qualitative shift in the processes of de-etatism and create the necessary ideopolitical and other conditions leading to greater effectiveness and to the democratization of the realization of common interests in the federation, including decisionmaking on these interests in federal organs. The Presidium also stressed that in the public discussion on the draft conclusions of the 13th session of the LCY Central Committee Presidium the working class, working people, and citizens demanded tighter responsibility for all those responsible for the timely formulation, harmonization, and realization of the common interests in the federation and responsibility for their realization, which was a prerequisite for carrying out the tasks of the Long-Term Economic Stabilization Program and for revolving other topical problems of our socioeconomic and political development.

The Presidium approved a report on the talks which Dimce Belovski, secretary of the Presidium, held in Bonn with SDP Chairman Willy Brandt and other members of the SPD leadership on mutual cooperation and questions of mutual interest.

At its session today, the Presidium also considered a number of topical current issues.

FEC FINALIZES PROPOSED 1985 FEDERAL BUDGET

LD180030 Belgrade TANJUG Domestic Service in Serbo-Coratian 1515 GMT 17 Dec 84

[Text] Belgrade, 17 Dec (TANJUG) -- Following the conclusion of the first round of efforts to coordinate the republics' and provinces' standpoints in the working bodies of the Yugoslav Assembly, at today's session the Federal Executive Council [FEC], with Janez Zemljaric in the chair, adopted standpoints on the observations and proposals by the republics and provinces concerning the draft resolution on Yugoslavia's socioeconomic development in 1985. According to a report from the Federal Secretariat for Information, stands were also made on the observations and proposals concerning the draft decisions on a joint foreign currency policy and the goals and tasks of a joint issue and monetary policy in the coming year.

The FEC finalized the proposed budget for the federation for 1985. The total volume of the budget of the federation is to be 609.6 billion dinars. The council also finalized a proposed law for putting into effect the budget of the federation for the coming year.

DEFENSE COUNCIL DISCUSSES DEFENSE CAPABILITY

LD172222 Belgrade TANJUG Domestic Service in Serbo-Croatian 1439 GMT 17 Dec 84

[Text] Belgrade, 17 Dec (TANJUG) -- A session of the Council for National Defense of the SFRY Presidency was held in Belgrade today. The session was chaired by Veselin Djuranovic, president of the SFRY Presidency. According to the information released, the council discussed Yugoslavia's military-political position and measures necessary for the further strengthening of the country's defense capability.

The coucil also discussed the proposal for further developing the system of recruitment and enlarging our Armed Forces and creating conditions which would make possible the shortening of the duration of the military service.

The council also examined some other issues concerning national defense.

BILIC INTERVIEWED ON CURRENT PARTY DIALOGUE

LD161556 Belgrade TANJUG Domestic Service in Serbo-Coratian 1612 GMT 16 Dec 84

["Jure Bilic Interview to TANJUG: Exemplary Dialogue" -- TANJUG headline]

[Excerpts] Belgrade, 16 Dec (TANJUG) -- To communicate so openly not only with party members, but with the general public as well, at a time of economic crisis, when living standards have fallen considerably and become threatened, is unknown in the history of any movement. We did it at the 13th LCY Central Committee Plenum and, as far as I am concerned, that is where its greatest merits are, said Jure Bilic, member of the LCY Central Committee Presidium and chairman of the working group responsible for preparing the 13th session's conclusions, in his conversation with TANJUG reporters.

The occasion for the conversation, which lasted for several hours, was the end of a debate on the draft conclusions and the forthcoming 15th LCY Central Committee Plenum when the first assessments of the all-party debate will be made and a decision adopted on convening the 13th LCY Congress.

Putting forward arguments for the preceding claim, Jure Bilic said that it would be difficult to find such an example of open dialogue between a party leadership and membership with people in the entire contemporary history of various systems and regimes. Therefore, I think, he stressed, that only history will show the real value of this debate, but on the condition, of course, that we make sure that it continues. Bearing this in mind, all other, even negative, elements which became manifest during the debate -- captious criticism, despondency, and even nihilism -- are insignificant.

What are the shortcomings of the present debate?

I think its main shortcoming lies in the fact that it has become more critical and less creative although, I must point out, criticism is also a creative act. The entire debate lacks creativity, both ideopolitical and working, in the sense that it has not offered many answers to what should be changed, and how and what the faults are in all the elements of the system and practice. Answers must be given, whether they are positive or negative. According to the information we have, exceptional criticism -- I would even say, destructive criticism -- became apparent throughout the debate.

Criticism concerning which issues?

Most Criticisms Directed at the "Top", i.e. LCY

Most frequently criticism was directed at the LCY leadership, particularly the LCY Central Committee and its Presidium. It is interesting, Bilic said, that the republican and provincial party leaderships were less subjected to criticisms.

Perhaps it is an expression of trust and confidence in the Yugoslav party "top"?

I wish it was so, Bilic said. However, I think that one of the possible reasons for it could be found in the fact that today "centers of power" are situated at republican and provincial levels and lower down. Therefore, I see criticism of the "top" as a demand and a desire for the power of these centers of etatism to be weakened since it appears that our members and self-management are not capable of doing it. Or, perhaps, it is in somebody's interest that they are not. For the time being, I cannot give you a specific definition. This, of course, raises a very serious question: the state of relations within the LCY.

According to the statute, republican LC organizations are independent organizations but within a united LCY.

Today, however, more prominence is given to independence rather than to unity, particularly when it comes to implementing policies, or at least not to the extent required by our historical juncture. We must continue to develop independence, but in the sense of creativity and initiative in the central and provincial committees. It is essential that they do not work on developing creative intiative only in "their own" environments. They should become, as it were, collective creators -- intellectuals at the Yugoslav level, within the LCY and its Central Committee. Of course, I do not want to be accused of being in favor of some center of power in the federation. I am in favor of those relations to which we in the LC and our entire society have committed ourselves.

For a decade now we have witnessed "verbal skirmishes" about the way in which republican and provincial LC organizations are implementing, or not, LCY Central Committee decisions.

The way out of this situation, Bilic stressed, is not in continuing the "verbal skirmishes" but in the LCY Central Committee finding enough strength to raise the questions of how party decisions are being implemented and party policy developed, and to what extent. That would be the best and easiest way of establishing the border line for identifying those who toe the LCY line on the basis of decisions made at the congresses or by the LCY Central Committee. This is the issue of the day which will have to be discussed soon.

Invented Subjects

In the debate on the 13th LCY Central Committee Plenum, no one, or almost no one, raised the question of self-managing transformation of banks where most material power is concentrated today. On the other hand, we are spending too much time discussing whether we are a federation or a confederation. It is nonsense, Bilic said. We have already been through it all. We said we are neither a classic federation nor a classic confederation. It is not essential for the development of our community how this is legally defined. Our relations and the way of living is what matters. It is the same with the issue of sovereignty. If a nationality is denied the right to sovereignty in its own republic, where it lives, that also threatens the unity of our country. All this should be clarified, or course. Some of our republics have settled this problem constitutionally. We have to come up with something new, not because we, the Yugoslavs, have this characteristic of always wanting to create something new and to differ from the rest of the world, but because it is a historical necessity.

"Dismantling" and "Reassembling" the Federation

In the seventies we "dismantled" the federation as the center of power by our Constitution and the Law on Associated Labor. Today, the federation has no material power except the power "on paper" which, so to speak, has material consequence as well. Our objective was to take the power from the federation to the benefit of associated labor. And what happened? Years after the promulgation of the Constitution and the Law on Associated Labor, at a higher level of economic development, some old problems have become even more exacerbated. The position of associated labor essentially has not improved in the last 10 years. If anything, recently it has deteriorated. This implies, Bilic said, that in principle we have not even started to implement the fundamental issue of the Constitution and our political orientation. Today, our economy controls only 40 percent of the social product, the rest is in the hands of others. Well, what has happened with the historical task our party took upon itself to carry out at the 10th LCY Congress? If in the seventies the problem was how to take power away from the federation, then in the eighties we are confronted with the problem of how to take power away from the etatism of the republics and provinces, municipalities, techocratic, and bureaucratic forces, which have all become centers of economic power.

If we "dismantled" the old federation, which had its own historical justification, then I can openly say that today we have to "reassemble" the new federation economically and on the principles of self-management.

We Did Not Want To Intervene

An impression has been created during the party debate that LC leaderships merely "threw down the glove" at the member and then simply stayed away from it all. What is your view on this?

We in the LCY Central Committee Presidium decided, Bilic said, not to "meddle" in the debate for two reasons:

First, so that our participation could not be interpreted as intervention, as if it were there to inhibit and prevent democratic debate. And, second, by the time of the congress we shall have to clarify many issues raised during the debate concerning the statute and the platform in order to arrive at the congress as united as possible. I think that at this juncture nothing would fundamentally change about the way we convene sessions and carry out our work if we were to discuss it at only one session of the LCY Central Committee.

By the next congress we shall have to think about what kind of LCY Central Committee we need, how it should work to accomplish its role since it is obvious that something will have to be changed. However, Bilic added, I think that on the whole the LCY leadership could have and should have contributed more to the all-party debate.

This Leadership Is Not Illegal

In his reply to a question, Bilic stressed that the LCY is a workers' party regardless of the number of workers in it. There is a law by which a certain percentage of members leave the party in difficult situations only to return, and be joined by new members when there is a program and the crisis is nearly over, that is, when the LCY pulls more decisively.

In the most difficult times the party always became more widely open and marched forward more independent and more democratic. We did that even when we had foreign divisions at our borders; and we are doing it now.

Replying to a question as to why there are not enough young people among the LC leaderships, Bilic said that in all the central and provincial committees, with some exceptions, the age range is between 35 and 45. Accordingly, this claim is not completely true. Progress will be made in the process of the democratization and in cadre policy. However, he added, there is something else that bothers me where our cadres are concerned. An atmosphere is being created in our society that all the people in leading positions in Yugoslavia are there illegally or irregularly. Allegedly, there was no prior democratic discussion before they were put there. Such "theories" are unjustified. True, sometimes we have to compromise and resort to combinations. I am not saying that everything turned out as we wanted it, but we must not accept charges that we acquired our positions in an undemocratic way. I want to say that these leaderships, the state, party, trade union, Socialist Alliance, and all other leaderships, are not illegal, Jure Bilic said ending his interview.

MARINC ON IMPLEMENTING CONSTITUTIONAL AIMS

AU112301 Belgrade BORBA in Serbo-Croatian 10 Dec 84 p 2

["Excerpt" from speech by Andrej Marinc, president of the Slovenia LC Central Committee, "at a conference of the Slovenia LC Central Committee"]

[Text] Any kind of one-sided discussion about the political system has no political or legal basis. We have very clearly agreed on that in the LCY Central Committee. We have the bases for supplementing parts of the economic system, analyzed and agreed upon, in the Long-Term Economic Stabilization Program. Regarding the political system, we have also specifically agreed that a profound analysis should be prepared with a view to supplementing everything we will agree should be supplemented, employing normal procedure, within the political system.

We are, however, not going to change the foundations of the political system, nor is it possible to do so. The essence of the political system, by the way, consists of the position and role of the worker and citizen as subject of the overall social system which is self-managingly and politically organized and disposes of the conditions and results of the worker's labor. Another basic subject in our social order are peoples and nationalities organized into republics and autonomous provinces and associated into the federation on an equal basis. We have also transferred to the federation a part of the sovereign rights on the basis of which our common federal organs work and do so directly in conformity with precisely defined tasks and according to agreement (consensus) about these common questions on which we have agreed. Regarding common tasks and interests at the unified Yugoslav market, we have a sufficient number of specific tasks to which we attach complete attention.

Therefore, the key problems, as we have agreed at the LCY Central Committee as well, lie in the implementation of constitutional aims and foundations. If one estimates the momentary situation in various spheres of our society and one-sidedly identifies it with the Constitution, he proves by so doing that he is either greatly mistaken, or is doing this malevolently with a view to arriving at the conclusion that the Constitution should be changed. The basic aim of the Constitution is the liberation of man and labor. There lies its programmatic significance for which we must primarily struggle. We all have enough to do, in performing these tasks. It is necessary to sharpen political responsibility, for what is involved are important tasks in deepening socialist democracy as it has been oriented in our constitutional order.

BELGRADE CITY LC SUMS UP PARTY DISCUSSION

AU151857 Belgrade POLITIKA in Serbo-Croatian 13 Dec 84 pp 5-6

[LJ. Zorkic, P. Ilic, S. Cedic, and M. Petric report]

[Excerpts] At yesterday's session of the Belgrade LC Committee the unanimous conviction was again expressed that the capital has not for a long time had such intensive political activities as those connected with the several months of discussions on the draft conclusions of the LCY Central Committee.

The members of Belgrade LC organizations resolutely declared that the building of socialism should be continued through socialist self-management to ensure a democratic practice in which the working man and the workers class will have a decisive place, Milovan Popovic, secretary of the Presidium of the Belgrade LC Committee said in his opening speech. He added:

The Communists of Belgrade spoke resolutely about the need for greater unity, from the basic organizations of associated labor and the work organization, through the commune and the republic, up to the federation. The essence of their striving is not unitarianism, nor jeopardizing the policy of national equality or the constitutional principles on the position of the republics and provinces. Likewise, however, the Communists and working people did not hide their disappointment that statism and republican and provincial bureaucracies are often maintained under the excuse of a struggle for equality, and that the achievements of the revolution are in fact endangered. In this sense, Popovic stressed, the 18th session of the Serbia LC Central Committee in its fundamental positions fully accords with that true feeling among the workers that inspired these broad discussions.

Among other things, Popovic recalled that a small number of LC organizations and individuals requested during the discussions that -- because of the situation in which we find ourselves and which they are right to consider extraordinary -- an extraordinary congress of the LCY be held. This request, he added, was not expressed in a majority of the basic organizations of the Belgrade LC. The majority believes that it is precisely through this discussion, which is sufficiently broad and democratic, that we are finding ways in the LC and in society to overcome the situation in a regular way. All the documents for the coming congress must emerge from this discussion. Therefore I think that it would be good if the Belgrade LC Committee proposes to the Serbia LC Central Committee and the LCY Central Committee that draft documents for the forthcoming congress be prepared on the basis of the discussion conducted about the draft conclusions of the 13th plenum and that they be submitted in good time to all the basic organizations of the LC for public discussion. We assess, Popovic pointed out, that it would be best if the draft documents were submitted to the basic organizations before the elections that begin in fall of 1985.

Regarding the situation and the tasks of the LC in the political system, the discussion attains a high level in being concrete and critical, but at the same time it also shows a need for the system to be further advanced. Dissatisfaction was expressed with the political situation which is distinguished, above all, by an unacceptable gap between the norms and the actual situation in this field. Therefore we have urgent requests by Communists and LC organizations that the LC, and above all its highest organs, should at once begin taking all measures, including appropriate changes in the political system, to ensure that the situation in this field of social life may change in conformity with the increased needs. The requests for much greater unity, efficiency, and responsibility in the process of reaching accords, making decisions, and implementing the decisions adopted were particularly sharp and urgent when they referred to the relations in the republic and the federation.

Demanding unity, Popovic stressed, the Communists clearly made it known that they do not have in mind any artificial monolithic unity granted once and for all. It is completely evident that our members know very well how to distinguish the differences at the stage when positions are being worked out from the differences in interpreting unanimously adopted positions. People are not disturbed by polemics and by different and even opposing opinions at the session of the highest leaderships. They are disturbed, and they protest, when this happens after positions have been unanimously adopted, and even more when nobody is called to account for such behavior. Therefore the majority demands that those who do not implement what has been agreed upon and adopted should be called to account. Because of this many people will have to pull themselves together and begin to work better and more, but after such criticism some should really be called to account. Behavior should be changed, but those who behave irresponsibly should also be changed. Maintaining the political atmosphere that has been created and the concrete actions that will be jointly carried out will create the prerequisites so that unity and responsibility will not remain slogans but will become a part of our daily life, Milovan Popovic said in conclusion.

Unjustified social differences, Milojica Pantelic remarked, did not find their proper place in the draft conclusions of the 13th plenum, and he proposed that a special session of the LCY Central Committee be held on these problems. At the same time, he made a remark on the work of the LCY Central Committee Presidium:

Good, the LCY Central Committee Presidium meets every Tuesday and this is an excellent thing. However, the main weak point in the work of the LCY Central Committee Presidium, in my opinion, is that it is among the most closed organs in the LCY and in our society in regard to working communications with the party and the Yugoslav public. The brief announcements, as a rule meager and dull, are no substitute here.

SREBRIC DEPARTS ON WORKING VISIT TO USSR

LD171341 Belgrade TANJUG in English 1222 GMT 17 Dec 84

[Text] Belgrade, December 17 (TANJUG) -- Yugoslav Vice-Premier and Co-Chairman to the Yugoslav-Soviet Joint Committee on Economic and Scientific-Technical Cooperation Borisav Srebric this morning left for a several-day working visit to the USSR following an invitation by I.V. Arkhipov, first deputy-chairman of the Council of Ministers and Soviet co-chairman to the joint committee. During the visit Srebric will talk with Soviet officials on bilateral economic cooperation in 1985 and preparations for the agreement on cooperation in the 1986-1990 period. Srebric will also attend the opening of the Black Sea port of Reni, built and equipped by Yugoslav enterprises which will also be engaged on the second phase of construction of the port.

ECONOMIC, S&T PROTOCOL SIGNED WITH USSR

LD152213 Belgrade TANJUG Domestic Service in Serbo-Croatian 1346 GMT 15 Dec 84

[Text] Novi Sad, 15 Dec (TANJUG) -- The 10th session of the working group for economic and scientific-technological cooperation between the SFRY and the USSR in the field of machine-building for the chemical and oil industries ended in Novi Sad last night with the signing of a protocol. In the words of Anton Ladisic, chairman of the Yugoslav delegation and director of the Pobeda factory in Novi Sad: The SFRY businessmen have put forward 19 specific proposals for further cooperation, by which a new higher stage of industrial cooperation will be embarked upon. The Yugoslav side has asked that established business deals also be expanded by an exchange of products of a higher degree of processing. It was agreed that the possibility of and interest in joint capital investments be reexamined by the Soviet side by the time the 11th session takes place.

DELEGATION SIGNS TRADE AGREEMENTS IN PRC

LD151036 Belgrade TANJUG Domestic Service in Serbo-Croatian 2018 GMT 14 Dec 84

[Text] Beijing, 14 Dec (TANJUG) -- Kang Shien, vice-premier of the PRC State Council [title as received] today received a delegation of the INA Enterprise of Zagreb, led by Petar Flekovic, chairman of the INA management board. The INA delegation has concluded an agreement with Chinese corporations and appropriate organs regarding the purchase of 200,000 tons of oil and also signed a contract to sell 30,000 tons of artificial fertilizers. An agreement was also reached with Chinese partners regarding other forms of cooperation.

CHINESE ABANDONMENT OF MARXIST DOGMA VIEWED

AU151700 Belgrade POLITIKA in Serbo-Croatian 13 Dec 84 p 2

[Dragoslav Rancic commentary: "Challenge to Blind Faith"]

[Excerpts] In the party daily RENMIN RIBAO, the Chinese have recently written that they do not expect that every Marxist economic theory propounded more than a century ago will help them to solve all their current problems.

Since communist parties in power do not often advance such theses, this creative Chinese challenge to the dogmatic heritage has caused perplexity abroad. There have been some erroneous interpretations that China will not rely on Marxism in the building of a modern country.

What we have here, however, is an evolution of Marxist thought in China, expressed through a most daring ideological breakthrough in the field of, until yesterday, "untouchable truths." Since 1978 when it announced it would be leaving the world of dogmas, Chinese Marxist thought has evolved rapidly, especially in the field of economic theory.

Taught by the bitter experience of the past, the Chinese have concluded that they will consider no theory valid, much less sacred, until it is confirmed by concrete practice and unless it is closely linked with reality. It is their credo that one must look for truth in facts and that practice is the only criterion for checking the truth. If this has until now primarily referred to Mao's thought, it is obvious that now it also refers to some of the theories of the classics of Marxism.

Is this heresy or revisionism?

The Chinese do not wish to conduct international ideological polemics about this. They believe that time and practice will provide convincing answers to everybody. They have paid dearly for their blind faith in canons.

Of course, any liberation of thought is inseparable from bold words that are an instrument of debate, but they are not necessarily the final judgment. Boldness is encouraged in China because there was too much fear and silence in the past. Liberated thought is not the only prerequisite for practice that may confirm any new striving. Practice often confirms predominant perceptions, and this sometimes means a compromise solution within the relations of the political forces. However, to achieve this perspicaciousness of thoughts and words is necessary.

In the field of economic theory, Chinese Marxist thought has already passed the stage when it "touched the tiger," to use the classice Chinese expression for an important move. Will they now ride the tiger's back?

China has entered a period of the most revolutionary changes since the beginning of Chinese socialism. Such changes are not undertaken without a great boldness of spirit. The scope of the changes, however, will be evaluated on the basis of the facts.

DRAGOSAVAC CHARGES CARDINAL WITH INTERFERENCE

AU141654 Vienna ORF Teletext in German 1602 GMT 14 Dec 84

[Text] LCY member Dusan Dragosavac has charged Vienna's archbishop Franz Cardinal Koenig, with "grossly" interfering in domestic affairs. According to KATHPRESS, Dragosavac had stated that Cardinal Koenig had paid tribute to the late Yugoslav Cardinal Stepinac. Stepinac was sentenced to 16 years forced labor after the war. While the government views him as a state enemy even today, he is considered a martyr by the Croatian church.